47/pt. 20-39/990

code of federal regulations

Telecommunication

47

PARTS 20 TO 39
Revised as of October 1, 1990

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PARTS 20 TO 39

Revised as of October 1, 1990

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AS OF OCTOBER 1, 1990

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Published by
the Office of the Federal Register
National Archives and Records
Administration

as a Special Edition of
the Federal Register

1985

U.S. GOVERNMENT PRINTING OFFICE
WASHINGTON: 1990

For sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402

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Cite this Code: **CFR**

To cite the regulations in this volume use title, part and section number. Thus, 47 CFR 21.1 *refers to title 47, part 21, section 1.*

Explanation

The Code of Federal Regulations is a codification of the general and permanent rules published in the Federal Register by the Executive departments and agencies of the Federal Government. The Code is divided into 50 titles which represent broad areas subject to Federal regulation. Each title is divided into chapters which usually bear the name of the issuing agency. Each chapter is further subdivided into parts covering specific regulatory areas.

ISSUE DATES

Each volume of the Code is revised at least once each calendar year and issued on a quarterly basis approximately as follows:

Title 1 through Title 16	as of January 1
Title 17 through Title 27	as of April 1
Title 28 through Title 41	as of July 1
Title 42 through Title 50	as of October 1

The appropriate revision date is printed on the cover of each volume.

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The contents of the Federal Register are required to be judicially noticed (44 U.S.C. 1507). The Code of Federal Regulations is prima facie evidence of the text of the original documents (44 U.S.C. 1510).

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The Paperwork Reduction Act of 1980 (Pub. L. 96-511) requires Federal agencies to display an OMB control number with their information collection request. Many agencies have begun publishing numerous OMB control numbers as amendments to existing regulations in the CFR. These OMB numbers are placed as close as possible to the applicable recordkeeping or reporting requirements.

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MARTHA L. GIRARD,
Director,
Office of the Federal Register.

October 1, 1990.

THIS TITLE

Title 47—Telecommunication is composed of five volumes. The parts in these volumes are arranged in the following order: Parts 0-19, Parts 20-39, parts 40-69, Parts 70-79, and Part 80 to End, Chapter I—Federal Communications Commission. The last volume, Part 80 to End, also includes Chapter II—Office of Science and Technology Policy and National Security Council, and Chapter III—National Telecommunications and Information Administration, Department of Commerce. The contents of these volumes represent all current regulations codified under this title of the CFR as of October 1, 1990.

Part 73 contains a numerical designation of FM broadcast channels (§ 73.201) and a table of FM allotments designated for use in communities in the United States, its territories, and possessions (§ 73.202). Part 73 also contains a numerical designation of television channels (§ 73.603) and a table of channel assignments to listed communities in the United States, its territories, and possessions (§ 73.606).

The OMB control numbers for the Federal Communications Commission, appear in § 0.408 of Chapter I. For the convenience of the user § 0.408 is reprinted in the Finding Aids section of the second, third, fourth, and fifth volumes.

Redesignation tables for Chapter I—Federal Communications Commission appear in the Finding Aids section of the two volumes containing Parts 20-39, and Part 80 to End. A Cross Reference table appears in the Finding Aids section of the volume containing Part 80 to End.

For this volume Kent H. Giles was Chief Editor. The Code of Federal Regulations publication program is under the direction of Richard L. Claypoole, assisted by Alomha S. Morris.

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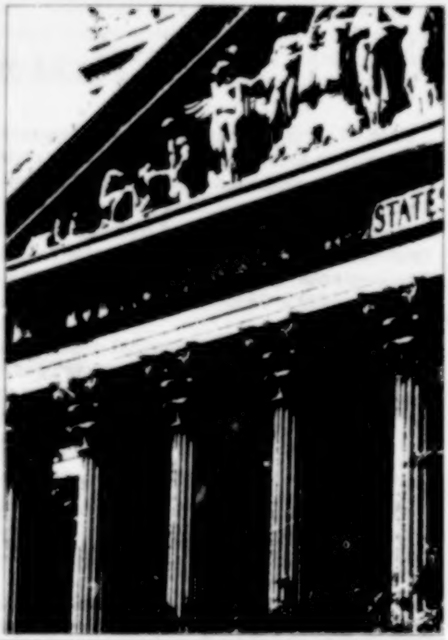

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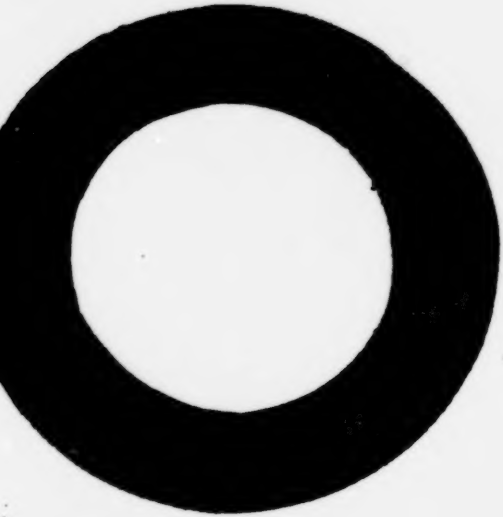

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Cross Reference:

Excise taxes on communications services and facilities: Internal Revenue, 26 CFR Part 49.

Supplemental Publications:

Annual Reports of the Federal Communications Commission to Congress.

Federal Communications Commission Reports of Orders and Decisions.

Communications Act of 1934 (*with amendments and index thereto*), *Recap. Version, January 1974, Packets No. 1 through 6.*

Miscellaneous Publications:

Study Guide and Reference Material for Commercial Radio Operator Examinations, May 1979 edition.

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AUTHORITY: Secs. 1, 2, 4, 201-205, 208, 215, 218, 303, 307, 313, 314, 403, 404, 410, 602; 48 Stat. as amended, 1064, 1066, 1070-1073, 1076, 1077, 1080, 1082, 1083, 1087, 1094, 1098, 1102; 47 U.S.C. 151, 154, 201-205, 208, 215, 218, 303, 307, 313, 314, 403, 404, 602; 47 U.S.C. 552.

SOURCE: 44 FR 60534, Oct. 19, 1979, unless otherwise noted.

Subpart A—General

§ 21.1 Scope and authority.

(a) The purpose of the rules and regulations in this part is to prescribe the manner in which portions of the radio spectrum may be made available for domestic communication common carrier and multipoint distribution service non-common carrier operations which require transmitting facilities on land or in specified offshore coastal areas within the continental shelf.

(b) The rules in this part are issued pursuant to the authority contained in Titles I through III of the Communications Act of 1934, as amended, which vest authority in the Federal Communications Commission to regulate common carriers of interstate and foreign communications, to regulate radio transmissions and issue licenses for radio stations, and to regulate all interstate and foreign communications by wire and radio necessary to the accomplishment of the purposes of the Act.

(c) Unless otherwise specified, the section numbers referenced in this part are contained in Chapter I, Title 47 of the Code of Federal Regulations.

[52 FR 37776, Oct. 9, 1987]

§ 21.2 Definitions.

As used in this part:

Antenna power gain. The square of the ratio of the root-mean-square free space field intensity produced at one mile in the horizontal plane, in millivolts per meter for one kilowatt antenna input power to 137.6 mV/m. This ratio should be expressed in decibels (dB). (If specified for a particular direction, antenna power gain is based on the field strength in that direction only.)

Antenna power input. The radio frequency peak or RMS power, as the case may be, supplied to the antenna from the antenna transmission line and its associated impedance matching network.

Antenna structures. The antenna, its supporting structure and anything attached to it.

Assigned frequency. The frequency coinciding with the center of the radio frequency channel in which the station is authorized to work. This frequency does not necessarily correspond to any frequency in an emission.

Authorized bandwidth. The maximum width of the band of frequencies permitted to be used by a station. This is normally considered to be the necessary or occupied bandwidth, whichever is greater.

Authorized frequency. The frequency assigned to a station by the Commission and specified in the instrument of authorization.

Authorized power. The maximum power a station is permitted to use. This power is specified by the Commission in the station's authorization.

Bandwidth occupied by an emission. The band of frequencies comprising 99 percent of the total radiated power extended to include any discrete frequency on which the power is at least 0.25 percent of the total radiated power.

Bit rate. The rate of transmission of information in binary (two state) form in bits per unit time.

Carrier. In a frequency stabilized system, the sinusoidal component of a modulated wave whose frequency is independent of the modulating wave; or the output of a transmitter when the modulating wave is made zero; or a wave generated at a point in the transmitting system and subsequently modulated by the signal; or a wave generated locally at the receiving terminal which when combined with the side bands in a suitable detector, produces the modulating wave.

Carrier frequency. The output of a transmitter when the modulating wave is made zero.

Central office. A landline termination center used for switching and interconnection of public message communication circuits.

Communication common carrier. Any person engaged in rendering communication service for hire to the public.

Control point. A control point is an operating position at which an operator responsible for the operation of the transmitter is stationed and which is under the control and supervision of the licensee.

Control station. A fixed station whose transmissions are used to control automatically the emissions or operations of another radio station at a specified location, or to transmit automatically to an alarm center telemetering information relative to the operation of such station.

Coordination distance. For the purpose of this part, the expression "coordination distance" means the distance from an earth station, within which there is a possibility of the use of a given transmitting frequency at this earth station causing harmful interference to stations in the fixed or mobile service, sharing the same band, or of the use of a given frequency for reception at this earth station receiving harmful interference from such stations in the fixed or mobile service.

Digital electronic message service. A two-way domestic end-to-end fixed radio service utilizing digital termination systems for the exchange of digital information. This service may also make use of point-to-point microwave facilities, satellite facilities or other communications media to interconnect digital termination systems to comprise a network.

Digital modulation. The process by which some characteristic (frequency, phase, amplitude or combinations thereof) of a carrier frequency is varied in accordance with a digital signal, e.g. one consisting of coded pulses or states.

Digital Termination Nodal Station. A fixed point-to-multipoint radio station in a Digital Termination System providing two-way communication with Digital Termination User Stations.

Digital Termination System. A fixed point-to-multipoint radio system consisting of Digital Termination Nodal Stations and their associated Digital Termination User Stations.

Digital Termination User Station. Any one of the fixed microwave radio stations located at users' premises, lying within the coverage area of a Digital Termination Nodal Station, and providing two-way digital communications with the Digital Termination Nodal Station.

Domestic fixed public service. A fixed service, the stations of which are open to public correspondence, for radiocommunications originating and terminating solely at points all of which lie within: (a) the State of Alaska, or (b) the State of Hawaii, or (c) the contiguous 48 States and the District of Columbia, or (d) a single possession of the United States. Generally, in cases where service is afforded on frequencies above 72 MHz, radiocommunications between the contiguous 48 States (including the District of Columbia) and Canada or Mexico, or radiocommunications between the State of Alaska and Canada, are deemed to be in the domestic fixed public service.

Domestic public radio services. The land mobile and domestic fixed public services the stations which are open to public correspondence.

NOTE: Part 80 of this chapter is applicable to the maritime services and fixed stations associated with the maritime services; Part 87 is applicable to aeronautical services.

Drop point. A term used in the point-to-point microwave radio service to designate a terminal point where service is rendered to a subscriber.

Earth station. A station in the space service located either on the earth's surface, including on board a ship, or on board an aircraft.

Effective radiated power. The product of the antenna power input and the antenna power gain. This product should be expressed in watts. (If specified for a particular direction, effective radiated power is based on the antenna power gain in that direction only.)

Exchange. A unit of a communication company or companies for the administration of communication service in a specified area, which usually embraces a city, town, or village and its environs, and consisting of one or more central offices, together with the associated plant, used in furnishing communication service in that area.

Exchange area. The geographic area included within the boundaries of an exchange.

Facsimile. A system of telecommunication for the transmission of fixed images with a view to their reception in a permanent form.

Fixed earth station. An earth station intended to be used at a specified fixed point.

Fixed microwave auxiliary station. A fixed station used in connection with (1) the alignment of microwave transmitting and receiving antenna systems and equipment, (2) coordination of microwave radio survey operations, and (3) cue and contact control of television pickup station operations.

Fixed station. A station at a fixed location.

Frequency tolerance. The maximum permissible variation of the carrier frequency expressed as a percentage or in Hertz.

General communication. Two-way voice communication, through a base station, between (1) a common carrier land mobile or airborne station and a landline telephone station connected to a public message landline telephone system, or (2) two common carrier land mobile stations, or (3) two common carrier airborne stations, or (4) a common carrier land mobile station and a common carrier airborne station.

Harmful interference. Any radiation or any induction which endangers the functioning of a radionavigation service or of a safety service or obstructs or repeatedly interrupts a radio service.

Internodal link. Two point-to-point microwave radio stations used to provide two-way communications between Digital Termination Nodal Stations or to interconnect Digital Termination Systems to other communications media.

Landing area. A landing area means any locality, either of land or water, including airports and intermediate landing fields, which is used, or approved for use for the landing and take-off of aircraft, whether or not facilities are provided for the shelter, servicing, or repair of aircraft, or for receiving or discharging passengers or cargo.

Local television transmission service. A domestic public radio communication service for the transmission of television material and related communications.

Message center. The point at which messages from members of the public are accepted by the carrier for transmission to the addressee.

Microwave frequencies. As used in this part, this term refers to frequencies of 890 MHz and above.

Miscellaneous common carriers. Communications common carriers which are not engaged in the business of providing either a public landline message telephone service or public message telegraph service.

Mobile earth station. An earth station intended to be used while in motion or during halts at unspecified points.

Mobile service. A service of radiocommunication between mobile and land stations or between mobile stations.

Mobile station. A radio-communication station capable of being moved and which ordinarily does move.

Multichannel multipoint distribution service. Those multipoint distribution service channels that use the frequency band 2596 MHz to 2644 MHz and associated response channels.

Multipoint distribution service. A one-way domestic public radio service rendered on microwave frequencies from a fixed station transmitting (usually in an omnidirectional pattern) to multiple receiving facilities located at fixed points.

Multipoint distribution service response station. A fixed station operated at an MDS receive location to provide communications with the associated station in the Multipoint Distribution Service.

Necessary bandwidth of emission. For a given class of emission, the width of the frequency band that is just sufficient to ensure the transmission of information at the rate and with the quality required under specified conditions.

NOTE: The necessary bandwidth for an emission may be calculated using the formulas in § 2.202 of this chapter.

Periscope antenna system. An antenna system which involves the use of a passive reflector to deflect radiation from or to a directional transmitting or receiving antenna which is oriented vertically.

Point-to-point microwave radio service. A domestic public radio service rendered on microwave frequencies by fixed stations between points which lie within the United States or between points to its possessions or to points in Canada or Mexico.

Private line service. A service whereby facilities for communication between two or more designated points are set aside for the exclusive use or availability for use of a particular customer and authorized users during stated periods of time.

Public correspondence. Any telecommunication which the offices and stations, by reason of their being at the disposal of the public, must accept for transmission.

Public message service. A service whereby facilities are offered to the public for communication between all points served by a carrier or by interconnected carriers on a non-exclusive message by message basis, contemplating a separate connection for each occasion of use.

Radio station. A separate transmitter or a group of transmitters under simultaneous common control, including the accessory equipment required for carrying on a radiocommunication service.

Radiocommunication. Any telecommunication by means of hertzian waves.

Rated power output. The term "rated power output" of a transmitter means the normal radio frequency power output capability (Peak or Average Power) of a transmitter, under optimum conditions of adjustment and operation, specified by its manufacturer.

Record communication. Any transmission of intelligence which is reduced to visual record form at the point of reception.

Reference frequency. A frequency coinciding with or having a fixed and specified relation to the assigned frequency. This frequency does not necessarily correspond to any frequency in an emission.

Relay station. A fixed station used for the reception and retransmission of the signals of another station or stations.

Repeater station. A fixed station established for the automatic retransmission of radiocommunications received from one or more mobile stations and directed to a specified location.

Standby transmitter. A transmitter installed and maintained for use in lieu of the main transmitter only during periods when the main transmitter is out of service for maintenance or repair.

Symbol rate. Modulation rate in bands. This rate may be higher than the transmitted bit rate as in the case of coded pulses or lower as in the case of multilevel transmission.

Telegraphy. A system of telecommunication for the transmission of written matter by the use of signal code.

Telemetering. Automatic radiocommunication in a fixed or mobile service intended to indicate or record a measurable variable quantity at a distance.

Telephony. A system of telecommunication set up for the transmission of speech, or in some cases, other sounds.

Television. A system of telecommunication for transmission of transient images of fixed or moving objects.

Television non-broadcast pickup station. A mobile, except television pickup, station used for the transmission of television program material and related communications for non-broadcast purposes.

Television pickup station. A land mobile station used for the transmission of television program material and related communications from the scenes of events occurring at points removed from television broadcast station studios to television broadcast stations.

Television STL station (studio transmitter link). A fixed station used for the transmission of television program material and related communications from a studio to the transmitter of a television broadcast station.

[44 FR 60534, Oct. 19, 1979, as amended at 46 FR 23449, Apr. 27, 1981; 48 FR 33900, July 26, 1983; 50 FR 5992, Feb. 13, 1985; 51 FR 31305, Sept. 2, 1986; 52 FR 27554, July 22, 1987; 52 FR 37776, Oct. 9, 1987]

Subpart B—Applications and Licenses

GENERAL FILING REQUIREMENTS

§ 21.3 Station authorization required.

(a) No person shall use or operate apparatus for the transmission of energy or communications or signals by radio except under, and in accordance with, an appropriate authorization granted by the Federal Communications Commission. Except as otherwise provided herein, no construction or modification of a station may be commenced without an authorization from the Commission. Authorizations for domestic public fixed radio services are governed by the provisions of this part.

(b) A separate application form must be filed for each Digital Termination System Nodal Station. No license is required for a Digital Termination User Station. Authority for a Digital Termination Nodal Station licensee to serve a specific number of user stations to be licensed in the name of the carrier shall be requested on FCC Form 494 filed for the Digital Termination Nodal Station.

(c) If construction and or operation may have a significant environmental impact as defined by § 1.1307 of the Commission's rules, the requisite environmental assessment as prescribed in § 1.1311 of this chapter must be filed with the application and Commission environmental review must be completed before construction of the station is initiated. See § 1.1312 of this chapter.

[52 FR 37777, Oct. 9, 1987, as amended at 55 FR 20397, May 16, 1990]

§ 21.4 Eligibility for station license.

A station license may not be granted to or held by:

(a) Any alien or the representative of any alien.

(b) Any foreign government or the representative thereof.

(c) Any corporation organized under the laws of any foreign government.

(d) Any corporation of which any officer or director is an alien.

(e) Any corporation of which more than one-fifth of the capital stock is owned of record or voted by: aliens or their representatives; a foreign government or representatives thereof; or any corporation organized under the laws of a foreign country.

(f) Any corporation directly or indirectly controlled by any other corporation of which any officer or more than one-fourth of the directors are aliens, if the Commission finds that the public interest will be served by the refusal or revocation of such license.

(g) Any corporation directly or indirectly controlled by any other corporation of which more than one-fourth of the capital stock is owned of record or voted by aliens or their representatives, or by a foreign government or representative thereof, or by any corporation organized under the laws of a foreign government, if the Commission finds that the public interest will be served by the refusal or revocation of such license.

§ 21.5 Formal and informal applications.

(a) Except for an authorization under any of the proviso clauses of section 308(a) of the Communications Act of 1934 (47 U.S.C. 308(a)), the Commission shall grant the following authorizations only upon written application: Station licenses; modifications of station licenses; renewals of station licenses; extensions of time to construct; transfers and assignments of station licenses or of any rights thereunder.

(b) Except as may be otherwise permitted by this Part, a separate written application shall be filed for each instrument of authorization requested. Applications may be:

(1) "Formal applications" where the Commission has prescribed in this part a standard form; or

(2) "Informal applications" (normally in letter form) where the Commission has not prescribed a standard form.

(c) An informal application will be accepted for filing only if:

(1) A standard form is not prescribed or clearly applicable to the authorization requested;

(2) It is a document submitted, in duplicate, with a caption which indicates clearly the nature of the request, radio service involved, location of the station, and the application file number (if known); and

(3) It contains all the technical details and informational showings required by the rules and states clearly and completely the facts involved and authorization desired.

[44 FR 60534, Oct. 19, 1979, as amended at 52 FR 37777, Oct. 9, 1987]

§ 21.6 Filing of applications, fees, and numbers of copies.

(a) As prescribed by §§ 21.7 and 21.11 of this part, standard formal application forms applicable to the radio services included in this part may be obtained from either:

(1) Federal Communications Commission, Washington, DC 20554; or

(2) Any of the Commission's field operations offices, the addresses of which are listed in § 0.121.

(b) Applications for radio station authorizations shall be submitted to: Federal Communications Commission, Washington, DC 20554. Applications requiring fees as set forth at Part 1, Subpart G of this chapter must be filed in accordance with § 0.401(b) of the rules.

(c) All correspondence or amendments concerning a submitted application shall clearly identify the radio service, the name of the applicant, station location, and the Commission file number (if known) or station call sign of the application involved, and may be sent directly to the Common Carrier Bureau.

(d) Except as otherwise specified, all applications, amendments, and correspondence shall be submitted in duplicate, including exhibits and attachments thereto, and shall be signed as precribed by § 1.743.

(e) Each application shall be accompanied by the appropriate fee prescribed by, and submitted in accordance with, Subpart G of Part 1 of this chapter.

[44 FR 60534, Oct. 19, 1979, as amended at 52 FR 10230, Mar. 31, 1987; 52 FR 37777, Oct. 9, 1987]

§ 21.7 Standard application form for domestic public fixed radio service licenses.

FCC Form 494 ("Application for a New and Modified Microwave Radio Station License Under Part 21") shall be submitted and a license granted for each station prior to commencement of any proposed station construction. FCC Form 494 also shall be submitted to amend any license application, to modify any license pursuant to §§ 21.40(a) and 21.41, to notify the Commission of modifications made pursuant to § 21.42, and to delete licensed facilities. FCC Form 494A shall be submitted to certify completion of construction.

[52 FR 37777, Oct. 9, 1987]

§§ 21.8—21.10 [Reserved]

§ 21.11 Miscellaneous forms shared by all domestic public radio services.

(a) *Licensee qualifications.* FCC Form 430 ("Domestic Mobile Service, Domestic Public Fixed Radio Services and Satellite Radio Licensee Qualification Report") shall be filed annually, no later than March 31 for the end of the preceding calendar year, by licensees for each radio service authorized under this part, if service was offered at any time during the preceding year. Each annual filing shall include all changes of information required by FCC Form 430 that occurred during the preceding year. In those cases in which there has been no change in any of the required information, the applicant or licensee, in lieu of submitting a new form, may so notify the Commission by letter. All multichannel Multipoint Distribution Service non-common carrier licensees shall annually file FCC Form 430.

(b) *Additional time to construct*—FCC Form 701 ("Application for Additional Time to Construct Radio Station") shall be filed in duplicate by a licensee prior to the expiration of the time for construction noted in a license if a licensee seeks to modify the license by extending the period of construction.

(c) *Renewal of station license.* Except for renewal of special temporary authorizations, FCC Form 405 ("Application for Renewal of Station License") must be filed in duplicate by the licensee between thirty (30) and sixty (60) days prior to the expiration date of the license sought to be renewed. Whenever a group of station licenses in the same radio service are to be renewed simultaneously, a single "blanket" application may be filed to cover the entire group, if the application identifies each station by call sign and station location and if two copies are provided for each station affected. Applicants should note also any special renewal requirements under the rules for each radio service.

(d) *Assignment of license.* FCC Form 702 ("Application for Consent to Assignment of Radio Station Construction Permit or License for Stations in

Services Other than Broadcasting"), shall be submitted to assign voluntarily (as by, for example, contract or other agreement) or involuntarily (as by, for example, death, bankruptcy, or legal disability) the station authorization. In the case of involuntary assignment (or transfer of control) the application should be filed within 10 days of the event causing the assignment (or transfer of control). FCC Form 702 shall also be used for non-substantial (pro forma) assignments. In addition, FCC Form 430 ("Domestic Mobile Service, Domestic Public Fixed Radio Services, and Satellite Radio Licensee Qualification Report") shall be submitted by the proposed assignee unless such assignee has a current and substantially accurate report on file with the Commission. Whenever a group of station licenses in the same radio services are to be assigned to a single assignee, a single "blanket" application may be filed to cover the entire group, if the application identifies each station by call sign and station location and if two copies are provided for each station affected. The assignment shall be completed within 45 days from the date of authorization. Upon consummation of an approved assignment, the Commission shall be notified by letter of the date of consummation within 10 days of its occurrence.

(e) *Partial assignment of license.* In the microwave services, authorization for assignment from one company to another of only a part or portions of the facilities (transmitters) authorized under an existing license (as distinguished from an assignment of the facilities in their entirety) may be granted upon application:

(1) By the assignee on FCC Form 494 and

(2) By the assignor on FCC Form 494 for deletion of the assigned facilities, indicating concurrence in the assignee's request.

The assignment shall be consummated within 45 days from the date of authorization. In the event that consummation does not occur, FCC Form 494 shall be submitted to return the assignor's license to its original condition.

(f) *Transfer of control of corporation holding a permit or license.* FCC Form 704 ("Application for Consent to Transfer of Control") shall be submitted in order to voluntarily or involuntarily transfer control (*de jure* or *de facto*) of a corporation holding any licenses. FCC Form 704 shall also be used for non-substantial (pro forma) transfers of control. In addition, FCC Form 430 ("Domestic Mobile Service, Domestic Public Radio Services, and Satellite Radio Licensee Qualification Report") shall be submitted by the proposed transferee unless said transferee has a current and substantially accurate report on file with the Commission. The transfer shall be completed within 45 days from the date of authorization. Upon consummation of an approved transfer, the Commission shall be notified by letter of the date of consummation within 10 days of its occurrence.

[44 FR 60534, Oct. 19, 1979, as amended at 52 FR 27554, July 22, 1987; 52 FR 37777, Oct. 9, 1987]

§ 21.12 [Reserved]

§ 21.13 General application requirements.

(a) Each application for a license or for consent to assignment or transfer of control shall:

(1) Disclose fully the real party (or parties) in interest, including (as required) a complete disclosure of the identify and relationship of those persons or entities directly or indirectly owning or controlling (or both) the applicant;

(2) Demonstrate the applicant's legal, financial, technical, and other qualifications to be a permittee or licensee;

(3) Submit the information required by the Commission's Rules, requests, and application forms;

(4) State specifically the reasons why a grant of the proposal would serve the public interest, convenience, and necessity;

(5) Be maintained by the applicant substantially accurate and complete in all significant respects in accordance with the provisions of § 1.65 of this chapter; and

(6) Show compliance with the special requirements applicable to each radio service and make all special showings that may be applicable (e.g.

those required by §§ 21.100(d), 21.700, 21.706, 21.900, etc.).

(b) Where documents, exhibits, or other lengthy showings already on file with the Commission contain information which is required by an application form, the application may specifically refer to such information, if:

(1) The information previously filed is over one 8½" by 11" page in length, and all information referenced therein is current and accurate in all significant respects under § 1.65 of this chapter; and

(2) The reference states specifically where the previously filed information can actually be found, including mention of:

(i) The radio service and station call sign or application file number whenever the reference is to stations files or previously filed applications;

(ii) The title of the proceeding, the docket number, and any legal citations, whenever the reference is to a docketed proceeding.

However, questions on an application form which call for specific technical data, or which can be answered by a "yes" or "no" or other short answer shall be answered as appropriate and shall not be cross-referenced to a previous filing.

(c) In addition to the general application requirements of §§ 21.13 through 21.17 of this part, applicants shall submit any additional documents, exhibits, or signed written statements of fact:

(1) As may be required by the other parts of the Commission's Rules, and the other subparts of Part 21 (particularly Subpart C and those subparts applicable to the specific radio service involved); and

(2) As the Commission, at any time after the filing of an application and during the term of any authorization, may require from any applicant, permittee, or licensee to enable it to determine whether a radio authorization should be granted, denied, or revoked.

(d) Except when the Commission has declared explicitly to the contrary, an informational requirement does not in itself imply the processing treatment of decisional weight to be accorded the response.

(e) All applicants are required to indicate at the time their application is filed whether an authorization of the facilities is categorically excluded as defined by § 1.1306 of the Commission's rules. If answered affirmatively, an Environmental Assessment as described by § 1.1311, need not be filed with the application.

(f) Except for applications in the Multipoint Distribution Service and the Digital Electronic Message Service, an applicant shall include a copy of the franchise or other authorization issued by appropriate regulatory authorities, when required by applicable local laws. If no such local requirement exists, or if Commission authority is a prerequisite for such authorization, a statement to this effect shall be included in the application.

(g) Whenever an individual applicant, or a partner (in the case of a partnership) or a full time manager (in the case of a corporation) will not actively participate in the day-to-day management and operation of proposed facilities, the applicant or licensee will submit a statement containing the reasons therefor and disclosing the details of the proposed operation, including a demonstration of how control over the radio facilities will be retained by the applicant. If the operation of a radio station is to be accomplished by contractual arrangement with an entity unrelated to an applicant or licensee, the applicant or licensee shall file a copy of the agreement or contract which shall demonstrate that:

(1) The operation is accomplished according to general instructions provided for by the applicant;

(2) The applicant retains effective control over the radio facilities and their operations; and

(3) The applicant assumes full responsibility for both the quality of service and for contractor compliance with the Commission's Rules.

[44 FR 60534, Oct. 19, 1979, as amended at 47 FR 29244, July 6, 1982; 51 FR 15003, Apr. 22, 1986; 52 FR 37778, Oct. 9, 1987]

§ 21.14 [Reserved]

§ 21.15 Technical content of applications.

Applications shall contain all technical information required by the application form and any additional information necessary to fully describe the proposed facilities and to demonstrate compliance with all technical requirements of the rules governing the radio service involved (see Subparts C, F, G, I, J and K as appropriate). The following paragraphs describe a number of technical requirements.

(a) Applicants proposing a new station location (including receive-only stations and passive repeaters) shall indicate whether the station site is owned. If it is not owned, its availability for the proposed radio station site shall be demonstrated. Under ordinary circumstances this requirement will be considered satisfied if the site is under lease or under written option to buy or lease. Where any lease or agreement to use land limits or conditions in any way the applicant's access or use of the site to provide public service, a copy of the lease or agreement (which clearly indicates the limitations or conditions) shall be filed with the application.

(b) [Reserved]

(c) Each application involving a new or modified antenna supporting structure or passive facility, the addition or removal of an antenna, or the repositioning of an authorized antenna for a station or receive-only facility (except receive-only facilities in the Multipoint Distribution Service and the Digital Electronic Message Service) must be accompanied by a vertical profile sketch of the total structure depicting its structural nature and clearly indicating the ground elevation (above sea level) at the structure site, the overall height of the structure above ground (including obstruction lights when required, lightning rods, etc.) and, if mounted on a building, its overall height above the building. The proposed antenna on the structure must be clearly identified and its height above-ground (measured to the center of radiation) clearly indicated.

(d) Each application proposing a new or modified antenna structure for a station (including a receive-only or passive repeater) so as to change its overall height shall indicate whether any necessary notification of the FAA has been made. Complete information as to rules concerning the construction, marking and lighting of antenna structures is contained in Part 17 of this chapter. See also § 21.111 if the structure is used by more than one station.

(e) An applicant proposing construction of one or more new stations or modification of existing stations where substantial changes in the operation or maintenance procedures are involved must submit a showing of the general maintenance procedures involved to insure the rendition of good public communications service. The showing should include but need not be limited to the following:

(1) Location and telephone number (if known) of the maintenance center for a point to point microwave system. In lieu of providing the location and telephone number of the maintenance on a case by case basis, a licensee may file a complete list for all operational stations with the Commission and the Engineer-In-Charge of the appropriate radio district on an annual basis or at more frequent intervals as necessary to keep the information current.

(2) The manner in which technical personnel are made aware of malfunction at any of the stations and the appropriate time required for them to reach any of the stations in the event of an emergency. If fault alarms are to be used, the items to be alarmed shall be specified as well as the location of the alarm center.

(f) Each application for construction permit for a developmental authorization shall be accompanied by pertinent supplemental information as required by § 21.405 in addition to such information as may be specifically required by this section.

(g) Each application in the Point-to-Point Radio, Local Television Transmission, Multipoint Distribution Service and Digital Electronic Message Service (excluding user stations) proposing a new or replacement antenna (excluding omni-directional antennas) shall include an antenna radiation pattern showing the antenna power gain distribution in the horizontal plane expressed in decibels, unless such pattern is known to be on file with the Commission in which case the applicant may reference in its application the FCC-ID number that indicates that the pattern is on file with the Commission.

[44 FR 60534, Oct. 19, 1979, as amended at 46 FR 23449, Apr. 27, 1981; 52 FR 37778, Oct. 9, 1987]

§ 21.16 [Reserved]

§ 21.17 Certification of financial qualifications.

Each application for a new license and each application for a major modification of an existing station shall contain a certification that the applicant has or will have the financial ability to meet the expected costs of constructing the facilities within the time allowed and the estimated operating expenses for a period of twelve months.

[52 FR 37778, Oct. 9, 1987]

§ 21.18 [Reserved]

§ 21.19 Waiver of rules.

Waivers of these rules may be granted upon application or on the Commission's own motion. A request for waiver shall contain a statement of reasons sufficient to justify a waiver. A waiver will not be granted except upon an affirmative showing that:

(a) The underlying purpose of the rule will not be served, or would be frustrated, by its application in the particular case, and that grant of the waiver is otherwise in the public interest; or

(b) The unique facts and circumstances of a particular case render application of the rule inequitable, unduly burdensome or otherwise contrary to the public interest. Applicants must also show the lack of a reasonable alternative.

[52 FR 37778, Oct. 9, 1987]

§ 21.20 Defective applications.

(a) Unless the Commission shall otherwise permit, an application will be unacceptable for filing and will be returned to the applicant with a brief statement as to the omissions or discrepancies if:

(1) The application is defective with respect to completeness of answers to questions, informational showings, execution, or other matters of a formal character; or

(2) The application does not substantially comply with the Commission's rules, regulations, specific requests for additional information, or other requirements.

(b) By way of illustration only, and not in any way limiting the scope of paragraph (a), the following are examples of common deficiencies which result in defective applications under paragraph (a):

(1) The application is not properly executed;

(2) The submitted filing fee (if a filing fee is required) is insufficient;

(3) The application does not demonstrate how the proposed radio facilities will serve the public interest, convenience or necessity;

(4) The application does not demonstrate compliance with the special requirements applicable to the radio service involved;

(5) The application does not demonstrate the availability of the proposed site of a new facility;

(6) The application does not include the environmental assessment required for any significant environmental impact under the Commission's environmental rules (Part 1, Subpart I);

(7) The application does not specify the polarization and, where applicable, the antenna orientation azimuth and distance;

(8) The application does not include all necessary exhibits;

(9) The application is filed after the cutoff date prescribed in § 21.31 of this part; or

(10) The application proposes the use of a frequency not allocated to such use.

(c) Applications considered defective under paragraph (a) of this section may be accepted for filing if:

(1) The application is accompanied by a request which sets forth the reasons in support of a waiver of (or an exception to), in whole or in part, any specific rule, regulation, or require-

ment with which the application is in conflict; or

(2) The Commission, upon its own motion, waives (or allows an exception to), in whole or in part, any rule, regulation or requirement.

(d) If an applicant is requested by the Commission to file any documents or any supplementary or explanatory information not specifically required in the prescribed application form, a failure to comply with such request within a specified time period will be deemed to render the application defective and will subject it to dismissal.

[44 FR 60534, Oct. 19, 1979, as amended at 52 FR 5294, Feb. 20, 1987; 52 FR 37779, Oct. 9, 1987]

§ 21.21 Inconsistent or conflicting applications.

While an application is pending and undecided, no subsequent inconsistent or conflicting application may be filed by the same applicant, the applicant's successor or assignee, or on behalf or for the benefit of the same applicant, the applicant's successor or assignee.

[44 FR 60534, Oct. 19, 1979, as amended at 52 FR 37779, Oct. 9, 1987]

§ 21.22 Repetitious applications.

(a) Where an applicant has been afforded an opportunity for a hearing with respect to a particular application for a new station, or for an extension or enlargement of a service or facilities, and the Commission has, after hearing or default, denied the application or dismissed it with prejudice, the Commission will not consider a like application involving service of the same kind to the same area by the same applicant, or by the applicant's successor or assignee, or on behalf of or for the benefit of the original parties in interest, until after the lapse of 12 months from the effective date of the Commission's order. The Commission may, for good cause shown, waive the requirements of this section.

(b) Where an appeal has been taken from the action of the Commission denying a particular application, another application for the same class of station and for the same area, in whole or in part, filed by the same applicant or by the applicant's successor or assignee, or on behalf or for the benefit of the original parties in interest, will not be considered until the final disposition of such appeal.

[44 FR 60534, Oct. 19, 1979, as amended at 52 FR 37779, Oct. 9, 1987]

§ 21.23 Amendment of applications.

(a) Any pending application may be amended as a matter of right if the application has not been designated for hearing or for comparative evaluation pursuant to § 21.35, provided, however, that the amendments shall comply with the provisions of § 21.29 as appropriate. An MMDS application tentatively selected by the random selection process may be amended as a matter of right up to 14 days after the date of the public notice announcing the tentative selection, provided, however, that the amendments shall comply with the provisions of § 21.29 as appropriate.

(b) The Commission or the presiding officer may grant requests to amend an application designated for hearing or for comparative evaluation, or tentatively selected by the random selection process, only if a written petition demonstrating good cause is submitted and properly served upon the parties of record, except that MMDS applications tentatively selected in a random selection process may be amended as a matter of right under paragraph (a) of this section.

(c) The Commission will classify amendments on a case-by-case basis. Whenever previous amendments have been filed, the most recent amendment will be classified by reference to how the information in question stood as of the latest Public Notice issued which concerned the application. An amendment will be deemed to be a major amendment subject to § 21.27 and § 21.31 under any of the following circumstances:

(1) If in the Point-to-Point Microwave Radio Service and Local Television Transmission Service, the amendment results in a substantial modification of the engineering proposal such as (but not necessarily limited to):

(i) A change in, or an addition of, a radio frequency;

(ii) A change in polarization of the transmitted signal;

(iii) An increase in the transmitter output power of three (3) dB or more;

(iv) A change in type of transmitter emission or an increase in emission bandwidth of more than ten (10) percent;

(v) A change in the geographic coordinates of a station's transmitting antenna of more than ten (10) seconds of latitude or longitude, or both;

(vi) A change of more than one (1) degree in the azimuth of the center of the main lobe of radiation of a point-to-point station's transmitting antenna (including any deflections by repeating devices);

(vii) Any change which increases the antenna height by twenty (20) feet or more; or

(viii) Any changes or combination of changes which would cause harmful electrical interference to an authorized facility or result in a mutually exclusive conflict with another pending application.

(2) If in the Multipoint Distribution Service and the Digital Electronic Message Service (excluding User Stations), the amendment results in a substantial modification of the engineering proposal such as (but not necessarily limited to):

(i) A change in, or addition of, a radio frequency channel;

(ii) A change in polarization of the transmitted signal;

(iii) A change in type of transmitter emission or an increase in emission bandwidth of more than ten (10) percent;

(iv) A change in the geographic coordinates of a station's transmitting antenna of more than ten (10) seconds of latitude or longitude, or both;

(v) Any change which increases the antenna height by ten (10) feet or more;

(vi) Any technical change which would increase the effective radiated power in any direction by more than one and one-half (1.5) dB; or

(vii) Any changes or combination of changes which would cause harmful electrical interference to an authorized facility or result in a mutually exclusive conflict with another pending application.

(3) [Reserved]

(4) If the amendment would convert a proposal, such that it may have a significant impact upon the environment under § 1.1307 of the Commission's rules, which would require the submission of an environmental assessment, see § 1.1311 of this chapter, and Commission environmental review, *see* §§ 1.1308 and 1.1312 of this chapter.

(5) If the amendment results in a substantial and material alteration of the proposed service.

(6) If the amendment specifies a substantial change in benefical ownership or control (*de jure* or *de facto*) of an applicant such that the change would require, in the case of an authorized station, the filing of a prior assignment or transfer of control application under section 310(d) of the Communications Act of 1934 [47 U.S.C. 310(d)]. Such a change would not be considered major where the assignment or transfer of control is for legitimate business purposes other than the acquisition of applications.

(7) If the amendment, or the cumulative effect of the amendment, is determined by the Commission otherwise to be substantial pursuant to section 309 of the Communications Act of 1934.

(d) In the Point-to-Point Microwave Radio Service and Local Television Transmission Service, a pending application may be amended by a major amendment to reflect the relocation of a proposed station site and a new application will not be required if:

(1) The geographic coordinates of the new station site are within twenty (20) miles of the coordinates of the original site; and,

(2) The relocated station would serve essentially the same purpose in the system as originally proposed.

(e) The applicant must serve copies of any amendments or other written communications upon the following parties:

(1) Any applicant whose application appears on its face to be mutually exclusive with the application being amended, including those applicants originally served under §§ 21.504 and 21.902;

(2) Any applicant whose application has been found by the Commission, as

published in a public notice, to be mutually exclusive with the application being amended; and

(3) Any party who has filed a petition to deny the application or other formal objection, when that petition or formal objection has not been resolved by the Commission.

(f) The Commission may waive the service requirements of paragraph (e) of this section and prescribe such alternative procedures as may be appropriate under the circumstances to protect petitioners' interests and to avoid undue delay in a proceeding, if an applicant submits a request for waiver which demonstrates that the service requirement is unreasonably burdensome. Requests for waiver shall be served on petitioners. Oppositions to the petition may be filed within five (5) days after the petition is filed and shall be served on the applicant. Replies to oppositions will not be entertained.

(g) Any amendment to an application shall be signed and shall be submitted in the same manner, and with the same number of copies, as was the original application. Amendments may be made in letter form if they comply in all other respects with the requirements of this chapter.

[44 FR 60534, Oct. 19, 1979, as amended at 46 FR 23450, Apr. 27, 1981; 50 FR 5992, Feb. 13, 1985; 50 FR 45614, Nov. 1, 1985; 52 FR 37779, Oct. 9, 1987; 55 FR 20397, May 16, 1990]

§ 21.24 [Reserved]

§ 21.25 Application for temporary authorizations.

(a) In circumstances requiring immediate or temporary use of facilities, request may be made for special temporary authority to install and/or operate new or modified equipment. Any such request may be submitted as an informal application in the manner set forth in § 21.5 and must contain full particulars as to the proposed operation including all facts sufficient to justify the temporary authority sought and the public interest therein. No such request will be considered unless the request is received by the Commission at least 10 days prior to the date of proposed construction or operation or, where an extension is sought, expiration date of the existing temporary authorization.

(b) Special temporary authorizations may be granted without regard to the 30-day public notice requirement of § 21.27(c) when:

(1) The authorization is for a period not to exceed 30 days and no application for regular application is contemplated to be filed;

(2) The authorization is for a period not to exceed 60 days pending the filing of an application for such regular operation;

(3) The authorization is to permit interim operation to facilitate completion of authorized construction or to provide substantially the same service as previously authorized; or

(4) The authorization is made upon a finding that there are extraordinary circumstances requiring operation in the public interest and that delay in the institution of such service would seriously prejudice the public interest.

(c) Temporary authorization of operations not to exceed 180 days may be granted under the standards of section 309(f) of the Communications Act where extraordinary circumstances so require. Extensions of the temporary authorization for a period of 180 days each may also be granted, but the renewal applicant bears a heavy burden to show that extraordinary circumstances warrant such an extension.

(d) In cases of emergency found by the Commission, involving danger to life or property or due to damage of equipment, or during a national emergency proclaimed by the President or declared by the Congress or during the continuance of any war in which the United States is engaged and when such action is necessary for the national defense or safety or otherwise in furtherance of the war effort, or in cases of emergency where the Commission finds that it would not be feasible to secure renewal applications from existing licensees or otherwise to follow normal licensing procedure, the Commission will grant construction permits and station licenses, or modifications or renewals thereof, during the emergency found by the Commission or during the continuance of any such national emergency or war, as special temporary licenses, only for the period of emergency or war requiring such action, without the filing of formal applications.

[44 FR 60534, Oct. 19, 1979, as amended at 48 FR 27252, June 14, 1983; 52 FR 37779, Oct. 9, 1987]

PROCESSING OF APPLICATIONS

§ 21.26 Receipt of applications.

Applications received by the Commission are given a file number for administrative convenience, which does not indicate the acceptance of the application for filing and processing. After preliminary review those applications covered by § 21.27(a) that appear complete will be put on public notice as accepted for filing. Neither the assignment of a file number nor the listing of the application on public notice as accepted for filing indicates that the application has been found acceptable for filing or precludes the subsequent return or dismissal of the application if it is found to be defective or not in substantial compliance with the Commission's rules.

[52 FR 37779, Oct. 9, 1987]

§ 21.27 Public notice period.

(a) At regular intervals, the Commission will issue a public notice listing:

(1) The acceptance for filing of applications and major amendments thereto;

(2) Significant Commission actions concerning applications;

(3) The filing of certifications of completion of construction;

(4) The receipt of applications for minor modifications made pursuant to § 21.41;

(5) Information which the Commission in its discretion believes of public significance; and

(6) Special environmental considerations as required by Part 1 of this chapter.

(b) A public notice will not normally be issued for any of the following applications:

(1) For authorization of a minor technical change in the facilities of a proposed or authorized station where such a change would not be classified as a major amendment to a pending application, as defined by § 21.23, or as a minor modification to a license pursuant to § 21.41;

(2) For temporary authorization pursuant to § 21.25;

(3) For an authorization under any of the proviso clauses of section 308(a) of the Communications Act of 1934 (47 U.S.C. 308(a));

(4) For consent to an involuntary assignment or transfer of control of a radio authorization; or

(5) For consent to a voluntary assignment or transfer of control of a radio authorization, where the assignment or transfer does not involve a substantial change in ownership or control.

(c) Except as otherwise provided in this Part (e.g., § 21.41), no application that has appeared on public notice will be granted until the expiration of a period of thirty days following the issuance of the public notice listing the application, or any major amendment thereto, or until the expiration of a period of thirty days following the issuance of a public notice identifying the tentative selectee of a random selection process, whichever is later.

(d) Applications for frequencies in the 932.5-935/941.5-944 MHz bands shall be filed initially during a one-week period to be announced by public notice. After these applications have been processed, the Commission shall announce by public notice a filing date for remaining frequencies. From this filing date forward, applications shall be processed on a daily first-come, first-served basis.

[52 FR 37779, Oct. 9, 1987, as amended at 54 FR 10327, Mar. 13, 1989]

§ 21.28 Dismissal and return of applications.

(a) Except as provided under paragraph (c) of this section and under § 21.29, any application may be dismissed without prejudice as a matter of right if the applicant requests its dismissal prior to designation for hearing or prior to selection of the comparative evaluation procedure of § 21.35. An applicant's request for return of its application after it has been accepted for filing will be considered to be a request for dismissal without prejudice.

Requests for dismissal shall comply with the provisions of § 21.29 as appropriate.

(b) A request to dismiss an application without prejudice will be considered after designation for hearing, after selection of the comparative evaluation procedure of § 21.35, or after selection as a tentative selectee in a random selection proceeding, only if:

(1) A written petition is submitted to the Commission and, in the case of applications designated for hearing or comparative evaluation, is properly served upon all parties of record;

(2) The petition is submitted before the issuance date of a public notice of Commission action denying the application; and

(3) The petition complies with the provisions of § 21.29 (whenever applicable) and demonstrates good cause.

(c) Except as provided under § 21.29, an application designated for inclusion in the random selection process may be dismissed without prejudice as a matter of right if the applicant requests its dismissal at least 2 days prior to a random selection proceeding. An applicant's request for return of its application after it has been accepted for filing will be considered to be a request for dismissal without prejudice. Requests for dismissal shall comply with the provisions of § 21.29 as appropriate.

(d) The Commission will dismiss an application for failure to prosecute or for failure to respond substantially within a specified time period to official correspondence or requests for additional information. Dismissal will be without prejudice prior to designation for hearing, selection of the comparative evaluation procedure of § 21.35, or tentative selection by the random selection process, but may be with prejudice for unsatisfactory compliance with § 21.29, or after designation for hearing, selection of the comparative evaluation process, or selection as a tentative selectee in a random selection proceeding.

[44 FR 60534, Oct. 19, 1979, as amended at 50 FR 5993, Feb 13, 1985]

§ 21.29 Ownership changes and agreements to amend or to dismiss applications or pleadings.

(a) Except as provided in paragraph (b) of this section, applicants or any other parties in interest to pending applications shall comply with the provisions of this section whenever:

(1) They participate in any agreement (or understanding) which involves any consideration promised or received, directly or indirectly, including any agreement (or understanding) for merger of interests or the reciprocal withdrawal of applications; and

(2) The agreement (or understanding) may result in either:

(i) A proposed substantial change in beneficial ownership or control (*de jure* or *de facto*) of an applicant such that the change would require, in the case of an authorized station, the filing of a prior assignment or transfer of control application under section 310(d) of the Communications Act of 1934 [47 U.S.C. 310(d)], or

(ii) Proposed withdrawal, amendment or dismissal of any application(s), amendment(s), petition(s), pleading(s), or any combination thereof, which would thereby permit the grant without hearing, comparative evaluation under of § 21.35, or random selection of an application previously in contested status.

(b) The provisions of this section shall not be applicable to any engineering agreement (or understanding) which:

(1) Resolves frequency conflicts with authorized stations or other pending applications without the creation of new or increased frequency conflicts; and

(2) Does not involve any consideration promised or received, directly or indirectly (including any merger of interests or reciprocal withdrawal of applications), other than the mutual benefit of resolving the engineering conflict.

(c) For any agreement subject to this section, the applicant of an application which would remain pending pursuant to such an agreement will be considered responsible for the compliance by all parties with the procedures of this section. Failure of the parties to comply with the procedures of this section shall constitute a defect in those applications which are involved in the agreement and remain in a pending status.

(d) The principals to any agreement or understanding subject to this section shall comply with the standards of paragraph (e) of this section in accordance with the following procedure:

(1) Within ten (10) days after entering into the agreement, the parties thereto shall jointly notify the Commission in writing of the existence and general terms of such agreement, the identity of all of the participants and the applications involved;

(2) Within thirty (30) days after entering into the agreement, the parties thereto shall file any proposed application amendments, motions, or requests together with a copy of the agreement which clearly sets forth all terms and provisions, and such other facts and information as necessary to satisfy the standards of paragraph (e) of this section. Such submission shall be accompanied by the certification by affidavit of each principal to the agreement declaring that the statements made are true, complete, and correct to the best of their knowledge and belief, and are made in good faith.

(3) The Commission may request any further information which in its judgment it believes is necessary for a determination under paragraph (e) of this section.

(e) The Commission will grant an application (or applications) involved in the agreement (or understanding) only if it finds upon examination of the information submitted, and upon consideration of such other matters as may be officially noticed, that the agreement is consistent with the public interest, and the amount of any monetary consideration and the cash value of any other consideration promised or received is not in excess of those legitimate and prudent costs directly assignable to the engineering, preparation, filing and advocacy of the withdrawn, dismissed, or amended application(s), amendment(s), petition(s), pleading(s), or any combination thereof. Where such costs represent the applicant's in-house efforts, these costs shall include only directly assignable costs and shall exclude general overhead expenses. [The treatment to be accorded such consideration for interstate rate making purposes will be determined at such time as the question may arise in an appropriate rate proceeding.] An itemized accounting shall be submitted to support the amount of consideration involved except where such consideration (including the fair market value of any non-cash consideration) promised or received does not exceed one thousand dollars ($1,000.00). Where consideration involves a sale of facilities or merger of interests, the accounting shall clearly identify that portion of the consideration allocated for such facilities or interests and a detailed description thereof, including estimated fair market value. The Commission will not presume an agreement (or understanding) to be prima facie contrary to the public interest solely because it incorporates a mutual agreement to withdraw pending application(s), amendment(s), petition(s), pleading(s), or any combination thereof.

[44 FR 60534, Oct. 19, 1979, as amended at 50 FR 5993, Feb. 13, 1985]

§ 21.30 Opposition to applications.

(a) Petitions to deny (including petitions for other forms of relief) and responsive pleadings for Commission consideration must:

(1) Identify the application or applications (including applicant's name, station location, Commission file numbers and radio service involved) with which it is concerned;

(2) Be filed in accordance with the pleading limitations, filing periods, and other applicable provisions of §§ 1.41 through 1.52, and 1.821 through 1.825;

(3) Contain specific allegations of fact (except for those of which official notice may be taken), which shall be supported by affidavit of a person or persons with personal knowledge thereof, and which shall be sufficient to demonstrate that the petitioner (or respondent) is a party in interest and that a grant of, or other Commission

action regarding, the application would be prima facie inconsistent with the public interest;

(4) Be filed within thirty (30) days after the date of public notice announcing the acceptance for filing of any such application or major amendment thereto, or identifying the tentative selectee of a random selection proceeding in the Multichannel Multipoint Distribution Service (unless the Commission otherwise extends the filing deadline); and

(5) Contains a certificate of service showing that it has been mailed to the applicant no later than the date of filing thereof with the Commission.

(b) The Commission will classify as informal objections:

(1) Any petition to deny not filed in accordance with paragraph (a) of this section;

(2) Any petition to deny (or for other forms of relief) an application to which the thirty (30) day public notice period of § 21.27(c) does not apply; or

(3) Any comments on, or objections to, the grant of an application when the comments or objections do not conform to either paragraph (a) of this section or other Commission rules and requirements.

(c) The Commission will consider informal objections, but will not necessarily discuss them specifically in a formal opinion if:

(1) The informal objection is filed at least one day before Commission action on the application; and

(2) The informal objection is signed by the submitting person (or his representative) and discloses his interest.

[44 FR 60534, Oct. 19, 1979, as amended at 50 FR 5993, Feb. 13, 1985; 50 FR 45614, Nov. 1, 1985; 52 FR 37779, Oct. 9, 1987]

§ 21.31 Mutually exclusive applications.

(a) The Commission will consider applications to be mutually exclusive if their conflicts are such that the grant of one application would effectively preclude by reason of harmful electrical interference, or other practical reason, the grant of one or more of the other applications. The Commission will presume "harmful electrical interference" to mean interference which would result in a material impairment to service rendered to the public despite full cooperation in good faith by all applicants or parties to achieve reasonable technical adjustments which would avoid electrical conflict.

(b) An application will be entitled to be included in a random selection process or to comparative consideration with one or more conflicting applications only if:

(1) The application is mutually exclusive with the other application; and

(2) The application is received by the Commission in a condition acceptable for filing by whichever "cut-off" date is earlier:

(i) Sixty (60) days after the date of the public notice listing the first of the conflicting applications as accepted for filing; or

(ii) One (1) business day preceding the day on which the Commission takes final action on the previously filed application (should the Commission act upon such application in the interval between thirty (30) and sixty (60) days after the date of its public notice).

(c) Whenever three or more applications are mutually exclusive, but not uniformly so, the earliest filed application established the date prescribed in paragraph (b)(2) of this section, regardless of whether or not subsequently filed applications are directly mutually exclusive with the first filed application. [For example, applications A, B, and C are filed in that order. A and B are directly mutually exclusive, B and C are directly mutually exclusive. In order to be considered comparatively with B, C must be filed within the "cut-off" period established by A even though C is not directly mutually exclusive with A.]

(d) An application otherwise mutually exclusive with one of more previously filed applications, but filed after the appropriate date prescribed in paragraph (b)(2) of this section, will be returned without prejudice and will be eligible for refiling only after final action is taken by the Commission with respect to the previously filed application (or applications).

(e) For the purposes of this section, any application (whether mutually exclusive or not) will be considered to be a newly filed application if it is amended by a major amendment (as defined by § 21.23), except under any of the following circumstances:

(1) The application has been designated for comparative hearing, or for comparative evaluation (pursuant to § 21.35), and the Commission or the presiding officer accepts the amendment pursuant to § 21.23(b);

(2) The amendment resolves frequency conflicts with authorized stations or other pending applications which would otherwise require resolution by hearing, by comparative evaluation pursuant to § 21.35, or by random selection pursuant to § 21.33 provided that the amendment does not create new or additional frequency conflicts;

(3) The amendment reflects only a change in ownership or control found by the Commission to be in the public interest, and for which a requested exemption from the "cut-off" requirements of this section is granted;

(4) The amendment reflects only a change in ownership or control which results from an agreement under § 21.29 whereby two or more applicants entitled to comparative consideration of their applications join in one (or more) of the existing applications and request dismissal of their other application (or applications) to avoid the delay and cost of comparative consideration;

(5) The amendment corrects typographical, transcription, or similar clerical errors which are clearly demonstrated to be mistakes by reference to other parts of the application, and whose discovery does not create new or increased frequency conflicts; or

(6) The amendment does not create new or increased frequency conflicts, and is demonstrably necessitated by events which the applicant could not have reasonably foreseen at the time of filing, such as, for example:

(i) The loss of a transmitter or receiver site by condemnation, natural causes, or loss of lease or option;

(ii) Obstruction of a proposed transmission path caused by the erection of a new building or other structure; or

(iii) The discontinuance or substantial technological obsolescence of specified equipment, whenever the application has been pending before the Commission for two or more years from the date of its filing.

(iv) The change of status by a MDS applicant from common carrier to non-common carrier, or from non-common carrier to common carrier.

(f) Applicants for the 932.5–935/941.5–944 MHz bands shall select a frequency pair. Applicants for these bands may select an unpaired frequency only upon a showing that spectrum efficiency will not be impaired and that unpaired spectrum is not available in other bands. During the initial filing window, frequency coordination is not required, except that an application for a frequency in the 942–944 MHz band must be coordinated to ensure that it does not affect an existing broadcast auxiliary service licensee. After the initial filing window, an applicant must submit evidence that frequency coordination has been performed with all licensees affected by the application. All frequency coordination must be performed in accordance with § 21.100(d) of the Commission's Rules. In the event of mutually exclusive applications occurring during the initial filing window for the 932.5–935/941.5–944 MHz bands, applicants shall be given the opportunity to resolve these situations by applying for an alternative frequency pair, if one is available. To the extent that there are no other available frequencies or to the extent that mutually exclusive applications remain after this process is concluded, lotteries shall be conducted for each frequency pair among all remaining mutually exclusive applications, assuming appropriate coordination with existing broadcast auxiliary stations can be concluded, where necessary. In the event of mutually exclusive applications being received for these bands on the same day after the initial filing window has closed and a subsequent filing window opened, lotteries shall be conducted for each frequency pair among all mutually exclusive applications.

[44 FR 60534, Oct. 19, 1979, as amended at 45 FR 65600, Oct. 3, 1980; 45 FR 70468, Oct. 24, 1980; 50 FR 5993, Feb. 13, 1985; 52 FR 27554, July 22, 1987; 52 FR 37780, Oct. 9, 1987; 55 FR 10462, Mar. 21, 1990]

§ 21.32 Consideration of applications.

(a) Applications for an instrument of authorization will be granted if, upon examination of the application and upon consideration of such other matters as it may officially notice, the Commission finds that the grant will serve the public interest, convenience, and necessity.

(b) The grant shall be without a formal hearing if, upon consideration of the application, any pleadings of objections filed, or other matters which may be officially noticed, the Commission finds that:

(1) The application is acceptable for filing, and is in accordance with the Commission's rules, regulations, and other requirements;

(2) The application is not subject to comparative consideration (pursuant to § 21.31) with another application (or applications), except where the competing applicants have chosen the comparative evaluation procedure of § 21.35 and a grant is appropriate under that procedure;

(3) A grant of the application would not cause harmful electrical interference to an authorized station;

(4) There are no substantial and material questions of fact presented; and

(5) The applicant is legally, technically, financially and otherwise qualified, and a grant of the application would serve the public interest.

(c) If the Commission should grant without a formal hearing an application for an instrument of authorization which is subject to a petition to deny filed in accordance with § 21.30, the Commission will deny the petition by the issuance of a Memorandum Opinion and Order which will concisely report the reasons for the denial and dispose of all substantial issues raised by the petition.

(d) Whenever the Commission, without a formal hearing, grants any application in part, or subject to any terms or conditions other than those normally applied to applications of the same type, it shall inform the applicant of the reasons therefor, and the grant shall be considered final unless the Commission should revise its action (either by granting the application as originally requested, or by designating the application for a formal evidentiary hearing) in response to a petition for reconsideration which:

(1) Is filed by the applicant within thirty (30) days from the date of the letter or order giving the reasons for the partial or conditioned grant;

(2) Rejects the grant as made and explains the reasons why the application should be granted as originally requested; and

(3) Returns the instrument of authorization.

(e) The Commission will designate an application for a formal hearing, specifying with particularity the matters and things in issue, if, upon consideration of the application, any pleadings or objections filed, or other matters which may be officially noticed, the Commission determines that:

(1) A substantial and material question of fact is presented;

(2) The Commission is unable for any reason to make the findings specified in paragraph (a) of this section and the application is acceptable for filing, complete, and in accordance with the Commission's rules, regulations, and other requirements.

(3) The application is entitled to comparative consideration (under § 21.31) with another application (or applications); or

(4) The application is entitled to comparative consideration (pursuant to § 21.31) and the applicants have chosen the comparative evaluation procedure of § 21.35 but the Commission deems such procedure to be inappropriate.

(f) The Commission may grant, deny, or take other action with respect to an application designated for a formal hearing pursuant to paragraph (e) of this section or Part 1 of this chapter.

(g) Whenever the public interest would be served thereby the Commission may grant one or more mutually exclusive applications expressly conditioned upon final action on the applications, and then either conduct a random section process (in specified services under this rules part), designate all of the mutually exclusive applications for a formal evidentiary hearing or (whenever so requested) follow the comparative evaluation procedures of § 21.35, as appropriate, if it appears:

(1) That some or all of the applications were not filed in good faith, but were filed for the purpose of delaying or hindering the grant of another application;

(2) That the public interest requires the prompt establishment of radio service in a particular community or area;

(3) That a delay in making a grant to any applicant until after the conclusion of a hearing or a random selection proceeding on all applications might jeopardize the rights of the United States under the provision of an international agreement to the use of the frequency in question; or

(4) That a grant of one application would be in the public interest in that it appears from an examination of the remaining applications that they cannot be granted because they are in violation of provisions of the Communications Act, other statutes, or of the provisions of this chapter.

(h) Reconsideration or review of any final action taken by the Commission will be in accordance with Subpart A of Part 1 of this chapter.

[44 FR 60534, Oct. 19, 1979, as amended at 50 FR 5993, Feb. 13, 1985]

§ 21.33 Grants by random selection.

(a) If an application for a license in the Multichannel Multipoint Distribution Service (MMDS) or in the Digital Electronic Message Service (DEMS) is mutually exclusive with another such application and satisfies the requirements of § 21.31(b), the applicants may be included in the random selection process set forth in Part 1, §§ 1.821 through 1.825. Renewal applications shall not be included in a random selection process.

(b) If, after filing individual MMDS applications, mutually exclusive applicants enter into settlements that result in the formulation of a joint venture, such applicants will receive the cumulative number of lottery changes that the individual applicants would have had if no settlement had been reached.

[52 FR 37780, Oct. 9, 1987]

§ 21.34 [Reserved]

§ 21.35 Comparative evaluation of mutually exclusive applications.

(a) In order to expedite action on mutually exclusive applications in services under this rules part where the random selection process does not apply, the applicants may request the Commission to consider their applications without a formal hearing in accordance with the summary procedure outlined in paragraph (b) in this section if:

(1) The applications are entitled to comparative consideration pursuant to § 21.31;

(2) The applications have not been designated for formal evidentiary hearing; and

(3) The Commission determines, initially or at any time during the procedure outlined in paragraph (b) of this section, that such procedure is appropriate, and that, from the information submitted and consideration of such other matters as may be officially noticed, there are no substantial and material questions of fact presented (other than those relating to the comparative merits of the applications) which would preclude a grant under paragraphs (a) and (b) of § 21.32.

(b) Provided that the conditions of paragraph (a) of this section are satisfied, applicants may request the Commission to act upon their mutually exclusive applications without a formal hearing pursuant to the summary procedure outlined below:

(1) To initiate the procedure, each applicant will submit to the Commission a written statement containing:

(i) A waiver of the applicant's right to a formal hearing;

(ii) A request and agreement that, in order to avoid the delay and expense of a comparative formal hearing, the Commission should exercise its judgment to select from among the mutually exclusive applications that proposal (or proposals) which would best serve the public interest; and

(iii) The signature of a principal (and the principal's attorney if represented).

(2) After receipt of the written requests of all of the applicants the

Commission (if it deems this procedure appropriate) will issue a notice designating the comparative criteria upon which the applications are to be evaluated and will request each applicant to submit, within a specified period of time, additional information concerning the applicant's proposal relative to the comparative criteria.

(3) Within thirty (30) days following the due date for filing this information, the Commission will accept concise and factual argument on the competing proposals from the rival applicants, potential customers, and other knowledgable parties in interest.

(4) Within fifteen (15) days following the due date for the filing of comments, the Commission will accept concise and factual replies from the rival applicants.

(5) From time to time during the course of this procedure the Commission may request additional information from the applicants and hold informal conferences at which all competing applicants shall have the right to be represented.

(6) Upon evaluation of the applications, the information submitted, and such other matters as may be officially noticed the Commission will issue a decision granting one (or more) of the proposals which it concludes would best serve the public interest, convenience and necessity. The decision will report briefly and concisely the reasons for the Commission's selection and will deny the other application(s). This decision shall be considered final.

[44 FR 60534, Oct. 19, 1979, as amended at 50 FR 5994, Feb. 13, 1985; 52 FR 37780, Oct. 9, 1987]

§§ 21.36—21.37 [Reserved]

LICENSE TRANSFERS, MODIFICATIONS, CONDITIONS AND FORFEITURES

§ 21.38 Assignment or transfer of station authorization.

(a) No station license, or any rights thereunder, shall be transferred, assigned, or disposed of in any manner, voluntarily or involuntarily, directly or indirectly, or by transfer of control of any corporation or any other entity holding any such license, to any person except upon application to the Commission and upon finding by the Commission that the public interest, convenience and necessity will be served thereby.

(b) For purposes of this section, transfers of control requiring Commission approval shall include any and all transactions that:

(1) Change the party controlling the affairs of the licensee, or

(2) Affect any change in a controlling interest in the ownership of the licensee, including changes in legal or equitable ownership, or

(c) Requests for transfer of control or assignment authority shall be submitted on the application form prescribed by § 21.11 of this chapter, and shall be accompanied by the applicable showings required by §§ 21.13, 21.15, 21.17 and 21.39 of this chapter.

(d) The Commission shall be promptly notified in writing when a licensee is voluntarily or involuntarily placed in bankruptcy or receivership and when an individual licensee, a member of a partnership which is a licensee, or a person directly or indirectly in control of a corporation which is a licensee, dies or becomes legally disabled. Within thirty days after the occurrence of such bankruptcy, receivership, death or legal disability, an application of involuntary assignment of such license, or involuntary transfer of control of such corporation, shall be filed with the Commission, requesting assignment or transfer to a successor legally qualified under the laws of the place having jurisdiction over the assets involved.

(e) The assignor of a station licensed under this part may retain no right of reversion or reassignment of the license and may not reserve the right to use the facilities of the station for any period whatsoever. No assignment of license will be granted or authorized if there is a contract or understanding, express or implied, pursuant to which a right of reversion or reassignment of the license or right to use the facilities are retained as partial or full consideration for the assignment or transfer.

(f) No special temporary authority, or any rights thereunder, shall be assigned or otherwise disposed of, directly or indirectly, voluntarily or involuntarily, without prior Commission approval.

[52 FR 37780, Oct. 9, 1987, as amended at 54 FR 11953, Mar. 23, 1989]

§ 21.39 Considerations involving transfer or assignment applications.

(a) The Commission will review a proposed transaction to determine if the circumstances indicate "trafficking" in licenses whenever applications (except those involving *pro forma* assignment or transfer of control) for consent to assignment of a license, or for transfer of control of a licensee, involve facilities that were:

(1) Authorized following a comparative hearing and have been operated less than one year, or;

(2) Involve facilities that have not been constructed, or;

(3) Involve facilities that were authorized following a random selection proceeding in which the successful applicant received preference and that have been operated for less than one year.

At its discretion, the Commission may require the submission of an affirmative, factual showing (supported by affidavits of a person or persons with personal knowledge thereof) to demonstrate that the proposed assignor or transferor has not acquired an authorization or operated a station for the principal purpose of profitable sale rather than public service. This showing may include, for example, a demonstration that the proposed assignment or transfer is due to changed circumstances (described in detail) affecting the licensee subsequent to the acquisition of the license, or that the proposed transfer of radio facilities is incidental to a sale of other facilities or merger of interests.

(b) If a proposed transfer of radio facilities is incidental to a sale of other facilities or merger of interests, any showing requested under paragraph (a) of this section shall include an additional exhibit which:

(1) Discloses complete details as to the sale of facilities or merger of interests;

(2) Segregates clearly by an itemized accounting, the amount of consideration involved in the sale of facilities or merger of interests; and

(3) Demonstrates that the amount of consideration assignable to the facilities or business interests involved represents their fair market value at the time of the transaction.

(c) For the purposes of this section, the one year period is calculated using the following dates (as appropriate):

(1) The initial date of grant of the license, excluding subsequent modifications;

(2) The date of consummation of an assignment or transfer, if the station is acquired as the result of an assignment of license, or transfer of control of corporate licensee; or

(3) The median date of the applicable commencement dates (determined pursuant to paragraphs (c)(1) and (2) of this section) if the transaction involves a system (such as a Point-to-Point Microwave System) of two or more stations. (The median date is that date so selected such that fifty percent of the commencement dates of the total number of stations, when arranged in chronological order, lie below it and fifty percent lie above it. When the number of stations is an even number, the median date will be a value half way between the two dates closest to the theoretical median).

[44 FR 60534, Oct. 19, 1979, as amended at 48 FR 33900, July 26, 1983; 50 FR 5994, Feb. 13, 1985; 52 FR 27554, July 22, 1987. Redesignated and amended at 52 FR 37780, Oct. 9, 1987]

§ 21.40 Modification of station license.

(a) Except as provided in §§ 21.41 and 21.42, no modification of a license issued pursuant to this part (or the facilities described thereunder) shall be made except upon application to the Commission and upon finding by the Commission that:

(1) Such modification will promote the public interest, convenience and necessity, or

(2) That the provisions of the Communications Act of 1934 or of any treaty ratified by the United States will be more fully complied with if such application is granted.

(b) No application for modification to extend a license construction period will be granted for delays caused by lack of financing or for lack of site availability. Applications for time extensions for other reasons must include a verified statement from the application showing that the licensee has made diligent efforts to construct the facilities and:

(1) That additional time is required due to circumstances beyond the applicant's control, in which case the applicant must describe such circumstances and must set forth with specificity and justify the precise extension period requested; or

(2) That there are unique and overriding public interest concerns that justify such an extension, in which case the applicant must identify such interests and must set forth and justify a precise extension period.

(c) Notwithstanding the provisions of paragraph (b), when a station license has been assigned or transferred pursuant to § 21.38, any extension of time will be limited so that the time left to construct after Commission grant of the transfer or assignment will be no more than the time remaining for construction at the date of the filing of the application for transfer or assignment.

[52 FR 37780, Oct. 9, 1987]

§ 21.41 Special processing of applications for minor facility modifications.

(a) Unless an applicant is notified to the contrary by the Commission, as of the twenty-first day following the date of public notice, any application that meets the requirements of paragraph (b) of this section and propose only the change specified in paragraph (c) of this section shall be deemed to have been authorized by the Commission.

(b) An application may be considered under the procedures of this section only if:

(1) It is in the Point-to-Point Microwave Radio, Local Television Transmission, Digital Electronic Message or Multipoint Distribution Services;

(2) The cumulative effect of all such applications made within any 60 days period does not exceed the appropriate values prescribed by paragraph (c) of this section;

(3) The facilities to be modified are not located within thirty-five miles of the Canadian or Mexican border;

(4) It is acceptable for filing, is consistent with all of the Commission's rules, and does not involve a waiver request;

(5) It specifically requests consideration pursuant to this section; and

(6) Frequency coordination procedures, as necessary, are complied with in accordance with § 21.100(d) or, in the Multipoint Distribution and Digital Electronic Message Services, a copy of the application has been served on those who also were served under §§ 21.902 and 21.504.

(c) The modifications that may be authorized under the procedures of this section are:

(1) Changes in a transmitter and existing transmitter operating characteristics, or protective configuration of transmitter, provided that:

(i) In all radio services other than Multipoint Distribution Service and Digital Electronic Message Service, any increase in transmitter output power is less than three dB over the previously authorized output power; and in the Multipoint Distribution Service and Digital Electronic Message Service, any increase in transmitter output power is one and one-half dB or less over the previously authorized output power;

(ii) The necessary bandwidth is not increased by more than 10% of the previously authorized necessary bandwidth;

(2) Changes in the height of an antenna, provided that:

(i) In all radio services except Multipoint Distribution Service and Digital Electronic Service, any increase in antenna height is less than twenty feet above the previously authorized height;

(ii) In Multipoint Distribution Service and Digital Electronic Message Service, any increase in antenna height is less than ten feet above the previously authorized height; and

(iii) The overall height of the antenna structure is not increased as a result of the antenna extending above the height of the previously authorized structure, except when the new height of the antenna structure is twenty feet or less (above ground or man-made structure, as appropriate) after the change is made.

(3) Change in the geographical coordinates of a transmit station, receive station or passive facility by ten seconds or less of latitude, longitude or both, provided that when notice to the FAA of proposed construction is required by Part 17 of the rules for antenna structure at the previously authorized coordinates (or will be required at the new location) the applicant must comply with the provisions of § 21.15(d).

(4) An increase in the number of Digital Termination user stations.

(d) Upon grant of an application under the procedure of this section and at such time that construction begins, the applicant must keep a complete copy of the application (including the filing date) with the station license if construction is commenced prior to the receipt of the authorization.

[52 FR 37780, Oct. 9, 1987]

§ 21.42 Certain modifications not requiring prior authorization.

(a) Equipment in an authorized radio station may be replaced without prior authorization or notification if the replacement equipment is identical (i.e., same manufacturer and model number) with the replaced equipment.

(b) Licensees of fixed stations in the Point-to-Point Microwave Radio, Local Television Transmission, Digital Electronic Message, or Multipoint Distribution Services may make the facility changes listed in paragraph (c) of this section without obtaining prior Commission authorization, if:

(1) Frequency coordination procedures, as necessary, are complied with in accordance with § 21.100(d) or, in the Multipoint Distribution and Digital Electronic Message Services, a copy of the notification described in (b)(3) is served on those who were served under §§ 21.902 and 21.504, and

(2) The cumulative effect of all facility changes made within any 60 day period does not exceed the appropriate values prescribed by paragraph (c) of this section, and

(3) The Commission is notified of changes made to facilities by the submission of a completed FCC Form 494 within thirty days after the changes are made.

(c) Modifications that may be made without prior authorization under paragraph (b) of this section are:

(1) Change or modification of a transmitter, when:

(i) The replacement or modified transmitter is type-accepted (or type-notified) for use under this Part and is installed without modification from the type-accepted (or type notified) configuration;

(ii) The type of modulation is not changed;

(iii) The frequency stability is equal to or better than the previously authorized frequency stability; and

(iv) The necessary bandwidth and the output power do not exceed the previously authorized values.

(2) Addition or deletion of a transmitter for protection without changing the authorized power output (e.g. hot standby transmitters);

(3) Change to an antenna (other than any change involving a periscope antenna system), when:

(i) For the Point-to-Point Microwave Radio and Local Television Transmission Services, the new antenna conforms to the requirements of § 21.108 and has essentially the same or better radiation characteristics than the previously authorized antenna;

(ii) For the Multipoint Distribution Service and Digital Electronic Message Service, the new antenna conforms with § 21.906 and the gain of the new antenna does not exceed that of the previously authorized antenna by more than one dB in any direction.

(4) Any technical changes that would decrease the effective radiated power.

(5) Change to the height of an antenna, when:

(i) The new height (measured at the center-of-radiation) is within ± five feet of the previously authorized height; and

(ii) The overall height of the antenna structure is not increased as a result of the antenna extending above the height of the previously authorized structure, except when the new height of the antenna structure is twenty feet or less (above ground or man-made structure, as appropriate) after the change is made.

(6) Decreases in the overall height of an antenna structure, provided that, when notice to the FAA of proposed construction was required by Part 17 of the Rules for the antenna structure at the previously authorized height, the applicant must comply with the provisions of § 21.15(d).

(7) Changes in the azimuth of the center of the main lobe of radiation of a point-to-point station's antenna by a maximum of one degree.

(8) Changes to the transmission line and other devices between the transmitter and the antenna when the effective radiated power of the station is not increased by more than one dB.

(d) Licensees may correct erroneous information on a license which does not involve a major change (i.e., a change that would be classified as a major amendment as defined by § 21.23) without obtaining prior Commission approval by filing a completed FCC Form 494.

[52 FR 37781, Oct. 9, 1987]

§ 21.43 Period of construction; certification of completion of construction.

(a) Each license for a radio station for the services included in this Part shall specify as a condition therein the period during which construction of facilities will be completed and the station made ready for operation. Construction may not commence until the grant of a license, and must be completed by the date specified in the license as the termination date of the construction period. Except as may be limited by § 21.45(b) or otherwise determined by the Commission for any particular application, the following shall be the maximum construction periods for each service:

(1) For stations in the Point-to-Point Microwave Radio and Digital Electronic Message Service, a maximum of 18 months from the date of the license grant;

(2) For all other stations licensed under this Part, a maximum of 12 months from the date of the license grant.

(b) Each license for a radio station for the services included in this part shall also specify as a condition therein that upon the completion of construction, each licensee must file with the Commission a certification of completion of construction using FCC Form 494A, certifying that the facilities as authorized have been completed and that the station is now operational and ready to provide service to the public, and will remain operational during the license period, unless the license is submitted for cancellation.

[52 FR 37782, Oct. 9, 1987]

§ 21.44 Forfeiture and termination of station authorization.

(a) A license shall be automatically forfeited in whole or in part without further notice to the licensee upon:

(1) The expiration of the construction period specified therein, or after such additional time as may be authorized by the Commission, unless within 5 days after that date certification of completion of construction has been filed with the Commission pursuant to § 21.43;

(2) The expiration of the license period specified therein, unless prior thereto an application for renewal of such license has been filed with the Commission; or

(3) The voluntary removal or alteration of the facilities, so as to render the station not operational for a period of 30 days or more.

(b) A license forfeited in whole or in part under the provisions of paragraph (a)(1) or (a)(2) may be reinstated if the Commission, in its discretion, determines that reinstatement would best serve the public interest, convenience and necessity. Petitions for reinstatement filed pursuant to this subsection will be considered only if:

(1) The petition is filed within 30 days of the expiration date set forth in paragraph (a)(1) or (a)(2) of this section, whichever is applicable;

(2) The petition explains the failure to timely file such notification or application as would have prevented automatic forfeiture; and

(3) The petition sets forth with specificity the procedures which have been established to insure timely filings in the future.

(c) A special temporary authorization shall automatically terminate upon the expiration date specified therein, or upon failure to comply with any special terms or conditions set forth therein. Operation may be extended beyond such termination date only after application and upon specific authorization by the Commission.

[52 FR 37782, Oct. 9, 1987]

§ 21.45 License period.

(a) Licenses for stations in the Point-to-Point Microwave Radio, Local Television Transmission, Multipoint Distribution, and Digital Electronic Message Services will be issued for a period not to exceed 10 years; in the case of common carrier Television STL and Television Pickup stations to which are assigned frequencies allocated to the broadcast services, the authorization to use such frequencies shall, in any event, terminate simultaneously with the expiration of the authorization for the broadcast station to which such service is rendered except that licenses for developmental stations will be issued for a period not to exceed one year. Unless otherwise specified by the Commission, the expiration of regular licenses shall be on the following date in the year of expiration.

Point-to-Point Microwave Radio Service—Feb. 1
Local Television Transmission Service—Feb. 1
Multipoint Distribution Service—May 1.
Digital Electronic Message Service—Feb. 1.

The expiration date of development licenses shall be one year from the date of the grant thereof. When a license is granted subsequent to the last renewal date of the class of license involved, the license shall be issued only for the unexpired period of the current license term of such class.

(b) The Commission reserves the right to grant or renew station licenses in these services for a shorter period of time than that generally prescribed for such stations if, in its judgment, public interest, convenience, or necessity would be served by such action.

(c) Upon the expiration or termination of any station license, any related construction permit, which bears a later expiration date, shall be automatically terminated concurrently with the related station license, unless it shall have been determined by the Commission that the public interest, convenience or necessity would be served by continuing in effect said construction permit.

[44 FR 60534, Oct. 19, 1979, as amended at 46 FR 23450, Apr. 27, 1981; 48 FR 27253, June 14, 1983]

Subpart C—Technical Standards

§ 21.100 Frequencies.

(a) The frequencies available for use in the services covered by this part of the rules are listed in the applicable subparts of this part. Assignment of frequencies will be made only in such a manner as to facilitate the rendition of communication service on an interference-free basis in each service area. Unless otherwise indicated, each frequency available for use by stations in these services will be assigned exclusively to a single applicant in any service area. All applicants for, and licensees of, stations in these services shall cooperate in the selection and use of the frequencies assigned in order to minimize interference and thereby obtain the most effective use of the authorized facilities. In the event harmful interference occurs or appears likely to occur between two or more radio systems and such interference cannot be resolved between the licensees thereof, the Commission may specify a time sharing arrangement for the stations involved or may, after notice and opportunity for hearing, require the licensees to make such changes in operating techniques or equipment as it may deem necessary to avoid such interference.

(b) The provisions of this section do not apply to operations in the band 31.0 to 31.3 GHz. Operations in this band are unprotected and subject to harmful interference from other licensed operations in this band.

(c) Frequency diversity transmission will not be authorized in these services in the absence of a factual showing that the required communications cannot practically be achieved by other means. Where frequency diversity is deemed to be justified on a protection channel basis, it shall be limited to one protection channel for the band 3,700-4,200 MHz, one protection channel for the band 5,925–6,425 MHz, and a ratio of one protection channel for three working channels for the band 10,700–11,700 MHz. In the bands 3,700–4,200 MHz and 5,925–6,425 MHz no frequency diversity protection channel will be authorized unless there is a minimum of three working channels, except that where a substantial showing is made that a total of three working channels will be required within 3 years, a protection channel may be authorized simultaneously with the first working channel. A protection channel authorized under such exception will be subject to termination if applications for the third working channel are not filed within 3 years of the grant date of the applications for the first working channel. Where equipment employing digital modulation techniques with cross polarized operation on the same frequency is used, the protection channel authorized under the above conditions may be considered to consist of both polarizations of the protection frequency where such is shown to be necessary.

(d) *Frequency coordination.* When required by the rules governing a service, the following frequency usage coordination procedures shall apply.

(1) *General requirements.* Proposed frequency usage shall be prior coordinated with existing users in the area and other applicants with previously filed applications, whose facilities could affect or be affected by the new proposal in terms of frequency interference or restricted ultimate system capacity. Coordination shall be completed prior to filing an application for regular authorization or an amendment to a pending application or a modification to a license when the proposed change is defined as "major" by the rules governing the service or is one reasonably expected to cause interference in excess of permissible levels for the service(s) involved. In coordinating frequency usage with stations in the fixed satellite service, applicants shall also comply with the requirements of § 21.706(c) and (d). In engineering a system or modification thereto, the applicant shall by appropriate studies and analyses select sites, transmitters, antennas and frequencies that will avoid interference in excess of permissible levels to other users. All applicants and licensees shall cooperate fully and make reasonable efforts to resolve technical problems and conflicts that may inhibit the most effective and efficient use of the radio spectrum; however, the party being coordinated with is not obligated to suggest changes or re-engineer a proposal in cases involving conflicts. Applicants should make every reasonable effort to avoid blocking the growth of systems that are likely to need additional capacity in the foreseeable future. The applicant shall identify in the application all entities with which the technical proposal was coordinated. In the event that technical problems are not resolved or if the existing licensee, or applicant does not repond to coordination efforts within 30 days after notification, an explanation shall be submitted with the application. Where technical problems are resolved by an agreement or operating arrangement between the parties that would require special procedures be taken to reduce the likelihood of interference in excess of permissible levels (such as the use of artificial site shielding) or would result in a reduction of quality or capacity of either system, the details thereof shall be contained in the application.

(2) *Coordination procedure guidelines.* The following guidelines are applicable to the coordination process.

(i) Coordination involves two separate elements: notification and response. Both or either may be oral or in written form. To be acceptable for filing, all applications and major technical amendments must certify that coordination, including response, has been completed. The names of the applicants, permittees, and licensees with which coordination was accomplished must be specified.

(ii) Notification must include relevant technical details of the proposal. At minimum, this should include, as applicable, the following:

Applicant's name.

Transmitting station name.

Transmitting station coordinates.

Frequencies and polarizations to be added or changed.

Transmitting equipment type, its stability, actual output power, emission designator, and type of modulation (loading).
Transmitting antenna type of model and, if required, a typical pattern and maximum gain.
Transmitting antenna height above ground level and ground elevation above mean sea level.
Receiving station name.
Receiving station coordinates.
Receiving antenna type and model and, if required, a typical pattern and maximum gain.
Receiving antenna height above ground level and ground elevation above mean sea level.
Path azimuth and distance.

(iii) For transmitters employing digital modulation techniques at frequencies below 15 GHz, the notification should clearly identify the type of modulation. Upon request, additional details of the operating characteristics of the equipment shall also be furnished.

(iv) Response to notification should be made as quickly as possible, even if no technical problems are anticipated. Every reasonable effort should be made by all applicants, permittees and licensees to eliminate all problems and conflicts. If no response to notification is received within 30 days, the applicant will be deemed to have made reasonable efforts to coordinate and may file its application without a response.

(v) The 30-day notification period is calculated from the date of receipt by the applicant, permittee, or licensee being notified. If notification is by mail, this date may be ascertained by:

(A) The return receipt on certified mail,

(B) The enclosure of a card to be dated and returned by the recipient, or

(C) A conservative estimate of the time required for the mail to reach its destination.

In the latter case, the estimated date when the 30-day period would expire should be stated in the notification.

(vi) All technical problems that come to light during coordination must be resolved unless a statement is included with the application to the effect that the applicant is unable or unwilling to resolve the conflict and briefly the reason therefor.

(vii) Where a number of technical changes become necessary for a system during the course of coordination, an attempt should be made to minimize the number of separate notifications for these changes. Where the changes are incorporated into a completely revised notice, the items that were changed from the previous notice should be identified. When changes are not numerous or complex, the carrier receiving the changed notification should make an effort to respond in less than 30 days. When the notifying carrier believes a shorter response time is reasonable and appropriate, it may be helpful for that carrier to so indicate in the notice and perhaps suggest a response date.

(viii) If, after coordination is successfully completed, it is determined that a subsequent change could have no impact on some carriers receiving the original notification, it is not necessary to coodinate the change with such carriers. However, these carriers shall be notified of the change and the opinion that coordination is not required for such change.

(ix) Applicants, permittees and licensees should supply to all other applicants, permittees and licensees, or known applicants, within their areas of operations, the name, address and telephone number of their coordination representatives. Upon request from coordinating applicants, permittees and licensees, data and information concerning existing or proposed facilities and future growth plans in the area of interest should be furnished unless such request is unreasonable or would impose a significant burden in compilation.

(x) Carriers should keep other carriers with whom they are coordinating advised of changes in plans for facilities previously coordinated. If applications have not been filed 6 months after coordination was initiated, carriers may assume that such frequency use is no longer desired unless a second notification has been received within 10 days of the end of the 6 month period. Renewal notifications are to be sent to all originally notified parties, even if coordination has not been successfully completed with those parties.

(e) Where frequency conflicts arise between co-pending applications in the Point-to-Point Microwave Radio and Local Television Transmission Services, it shall be the obligation of the later filing applicant to amend his application to remove the conflict, unless he can make a showing that the conflict cannot be reasonably eliminated. Where a frequency conflict is not resolved and no showing is submitted as to why the conflict cannot be resolved, the Commission may grant the first filed application and dismiss the later filed application(s) after giving the later filing applicant(s) 30 days to respond to the proposed action.

[44 FR 60534, Oct. 19, 1979, as amended at 47 FR 29244, July 6, 1982; 50 FR 7340, Feb. 22, 1985; 52 FR 27555, July 22, 1987; 52 FR 37782, Oct. 9, 1987]

§ 21.101 Frequency tolerance.

(a) The carrier frequency of each transmitter authorized in these services shall be maintained within the following percentage of the reference frequency except as otherwise provided in paragraph (b) of this section or in the applicable subpart of this part (unless otherwise specified in the instrument of station authorization the reference frequency shall be deemed to be the assigned frequency):

Frequency range (MHz)	Frequency tolerance (percent)		
	All fixed and base stations	Mobile stations over 3 watts	Mobile stations 3 watts or less [1]
25 to 50	0.002	0.002	0.005
50 to 450	0.0005	0.0005	0.005
450 to 512	0.00025	0.0005	0.0005
512 to 932 [3]	0.0005	0.0005	0.0005
932.5 to 935 [3]	0.00025		
941.5 to 944	0.00025		
944 to 1,000	0.0005	0.0005	0.0005
2,110 to 2,200	0.001		
2,200 to 12,200 [2] [4]	0.005	0.005	0.005
12,200 to 17,700	0.03	0.03	0.03
17,700 to 18,820	0.003		
18,820 to 18,920 [5]	0.001		
18,920 to 19,700 [5]	0.003		
19,700 to 40,000	0.03	0.03	0.03

[1] Below 512 MHz transmitter plate power input to the final frequency stage, as specified in the Commission's Radio Equipment List. Above 512 MHz transmitter power output, as specified in the Commission's Radio Equipment List.

[2] Beginning Aug. 9, 1975, this tolerance will govern the marketing of equipment pursuant to §§ 2.803 and 2.805 of this chapter and the issuance of all authorizations for new radio equipment. Until that date new equipment may be authorized with a frequency tolerance of .03 percent in the frequency range 2,200 to 10,500 MHz and .05 percent in the range 10,500 MHz to 12,200 MHz, and equipment so authorized may continue to be used for its life provided that it does not cause interference to the operation of any other licensee. Equipment authorized in the frequency range 2,450 to 10,500 MHz prior to June 23, 1969, at a tolerance of .05 percent may continue to be used until February 1, 1976 provided it does not cause interference to the operation of any other licensee.

[3] Equipment authorized to be operated on frequencies between 890 and 940 MHz as of Oct. 15, 1956, shall be required to maintain a frequency tolerance within 0.03 percent subject to the condition that no harmful interference is caused to any other radio station.

[4] See § 21.503 for the stability requirements for transmitters used in the Digital Electronic Message Service.

[5] Existing type accepted equipment with a frequency tolerance of ±0.03% may be marketed until December 1, 1988. Equipment installed and operated prior to December 1, 1988 may continue to operate after that date with a minimum frequency tolerance of ±0.03%. However, the replacement of equipment requires that the ±0.003% tolerance be met.

(b) Heterodyne microwave radio systems may be authorized a somewhat less restrictive frequency tolerance (up to .01 percent) to compensate for frequency shift caused by numerous repeaters between base band signal insertion. Where such relaxation is sought, applicant must provide all calculations and indicate the desired tolerance over each path. In such instances the radio transmitters used shall individually be capable of complying with the tolerance specified in paragraph (a) of this section.

(c) As an additional requirement in any band where the Commission makes assignments according to a specified channel plan, provisions shall be made to prevent the emission included within the occupied bandwidth from radiating outside the assigned channel at a level greater than that specified in § 21.106.

[44 FR 60534, Oct. 19, 1979, as amended at 46 FR 23450, Apr. 27, 1981; 48 FR 50329, Nov. 1, 1983; 48 FR 50732, Nov. 3, 1983; 49 FR 37775, Sept. 26, 1984; 54 FR 10327, Mar. 13, 1989; 54 FR 24905, June 12, 1989]

§§ 21.102—21.104 [Reserved]

§ 21.105 Bandwidth.

Each authorization issued pursuant to these rules will show, as the emission designator, a symbol representing the class of emission which shall be prefixed by a number specifying the necessary bandwidth. This figure does not necessarily indicate the bandwidth actually occupied by the emission at any instant. In those cases where Part 2 of this chapter does not provide a formula for the computation of the necessary bandwidth, the occupied bandwidth may be used in the emission designator.

[49 FR 48700, Dec. 14, 1984]

§ 21.106 Emission limitations.

(a) The mean power of emissions shall be attenuated below the mean output power of the transmitter in accordance with the following schedule:

(1) When using transmissions other than those employing digital modulation techniques:

(i) On any frequency removed from the assigned frequency by more than 50 percent up to and including 100 percent of the authorized bandwidth: At least 25 decibels;

(ii) On any frequency removed from the assigned frequency by more than 100 percent up to and including 250 percent of the authorized bandwidth: At least 35 decibels;

(iii) On any frequency removed from the assigned frequency by more than 250 percent of the authorized bandwidth: At least 43+10 Log$_{10}$ (mean output power in watts) decibels, or 80 decibels, whichever is the lesser attenuation.

(2) When using transmissions employing digital modulation techniques (see § 21.122(b)) in situations other than those covered by paragraph (a)(3) of this section:

(i) For operating frequencies below 15 GHz, in any 4 kHz band, the center frequency of which is removed from the assigned frequency by more than 50 percent up to and including 250 percent of the authorized bandwidth: As specified by the following equation but in no event less than 50 decibels. $A=35+0.8(P-50)+10\ \mathrm{Log}_{10}B$. (Attenuation greater than 80 decibels is not required.)

where:

A = Attenuation (in decibels) below the mean output power level.

P = Percent removed from the carrier frequency.

B = Authorized bandwidth in MHz.

(ii) For operating frequencies above 15 GHz, in any 1 MHz band, the center frequency of which is removed from the assigned frequency by more than 50 percent up to and including 250 percent of the authorized bandwidth: As specified by the following equation but in no event less than 11 decibels. $A=11+0.4(P-50)+10\ \mathrm{Log}_{10}B$. (Attenuation greater than 56 decibels is not required.)

(iii) In any 4 kHz band, the center frequency of which is removed from the assigned frequency by more than 250 percent of the authorized bandwidth: At least 43+10 Log$_{10}$ (mean output power in watts) decibels, or 80 decibels, whichever is the lesser attenuation.

(3) For Digital Termination System channels used in the Digital Electronic Message Service (DEMS) operating in the 10,550–10,680 MHz band:

(i) In any 4 kHz band, the center frequency of which is removed from the edge of the DEMS channel by up to and including 1.125 times the DEMS subchannel bandwidth: As specified by the following equation shall in no event be less than 50+10 log$_{10}$ N decibels.

$A=50+0.0333\ (F-0.5B)+10\ \log_{10} N$ decibels

Where:

A = Attenuation (in decibels) below means output power level contained within the DEMS channel for a given polarization.

B = Bandwidth of DEMS channel (in kHz).

F = Absolute value of the difference between the center frequency of the 4 kHz band measured and the center frequency of the DEMS channel (in kHz).

N = Number of active subchannels of the given polarization within the DEMS channel.

(ii) In any 4 kHz band within the authorized DEMS band the center frequency of which is removed from the center frequency of the DEMS channel by more that the sum of 50% of the DEMS channel bandwidth plus 1.125 times the subchannel bandwidth: As specified by the following equation but in no event less than 80 decibels.

$A=80+10\ \log_{10} N$ decibels

(iii) In any 4 kHz band the center frequency of which is outside the authorized DEMS band:

At least 43+10 log$_{10}$ (mean output power in Watts) decibels.

(4) For Digital Termination System channels used in the Digital Electronic Message Service (DEMS) operating in the 17,700–19,700 MHz band:

(i) In any 4 kHz band, the center frequency of which is removed from the frequency of the center of the DEMS channel by more than 50 percent of the DEMS channel bandwidth up to and including 50 percent plus 500 kHz: As specified by the following equation but in no event be less than $50+10 \log_{10} N$ decibels.

$$A=50+0.06\,(F-0.5B)+10 \log_{10} N \text{ decibels}$$

Where:

A = Attenuation (in decibels) below mean output power level contained within the DEMS channel for a given polarization.

B = Bandwidth of DEMS channel (in kHz).

F = Absolute value of the difference between the center frequency of the 4 kHz band measured and the center frequency of the DEMS channel (in kHz).

N = Number of active subchannels of the given polarization within the DEMS channel.

(ii) In any 4 kHz band within the authorized DEMS band, the center frequency of which is removed from the center frequency of the DEMS channel by more than the sum of 50 percent of the channel bandwidth plus 500 kHz: as specified by the following equation but in no event less than 80 decibels.

$$A=80+10 \log_{10} N \text{ decibels}$$

(iii) In any 4 kHz band the center frequency of which is outside the authorized Digital Message Service band:

At least $43+10 \log_{10}$ (mean output power in Watts) decibels.

(b) When an emission outside of the authorized bandwidth causes harmful interference, the Commission may, at its discretion, require greater attenuation than specified in paragraph (a) of this section.

[44 FR 60534, Oct. 19, 1979, as amended at 46 FR 23450, Apr. 27, 1981; 52 FR 23550, June 23, 1987]

§ 21.107 Transmitter power.

(a) The power which a station will be permitted to use in these services will be the minimum required for satisfactory technical operation commensurate with the size of the area to be served and local conditions which affect radio transmission and reception. In cases of harmful interference, the Commission may, after notice and opportunity for hearing, order a change in the effective radiated power of a station.

(b) The rated power of a transmitter employed in these radio services shall not exceed the values shown in the following tabulation:

Frequency band (MHz)	Maximum allowable transmitter power		Maximum allowable EIRP	
	Fixed (W)	Mobile (W)	Fixed (dBW)	Mobile (dBW)
512 to 2,110	20.0	20.0	(4)	
932.5 to 935	20.0		+40	
941.5 to 944	20.0		+40	
2,110 to 2,130	20.0			
2,150 to 2,160	[1]20.0		+45	
2,160 to 2,180	[1]20.0			
2,500 to 2,686	[1]10.0			
2,686 to 2,690	0.25			
3,700 to 4,200	20.0			
5,925 to 6,425	20.0		+55	
6,425 to 6,525		20.0		+35
10,550 to 10,565	10.0			
10,615 to 10,630	10.0		[2]	
10,700 to 11,200	10.0			
12,200 to 13,250	10.0	10.0		
17,700 to 18,600	10.0		+55	
18,600 to 18,800	[3]10.0		+35	
18,800 to 19,700	10.0		+55	
21,200 to 23,600	10.0		+50	
27,500 to 29,500	10.0		55	
31,000 to 31,300	0.05	0.05		
38,600 to 40,000	10.0	1.5	50	

[1] In the bands 2,150–2,162 MHz and 2,500–2,690 MHz, when used for the Multipoint Distribution Service, up to 100 watts may be authorized pursuant to Section 21.904.

[2] The EIRP of stations in the 10,600–10,680 MHz band must not exceed +40 dBW.

[3] The power delivered to the antenna is limited to −3 dBW.

[4] The EIRP of stations in the 932.5–935 MHz, 941.5–944 MHz, and 10,600–10,680 MHz bands must not exceed +40 dBW.

(c) The power of each transmitter shall be maintained as near as practicable to the power input or output specified in the instrument of station authorization.

[44 FR 60534, Oct. 19, 1979, as amended at 49 FR 37775, Sept. 26, 1984; 52 FR 7140, Mar. 9, 1987; 52 FR 37783, Oct. 9, 1987; 54 FR 10328, Mar. 13, 1989; 54 FR 24905, June 12, 1989]

§ 21.108 Directional antennas.

(a) Unless otherwise authorized upon specific request by the applicant each station authorized under the rules of this part shall employ a directional antenna adjusted with the center of the major lobe of radiation in the horizontal plane directed toward the receiving station with which it communicates: *Provided, however,* Where a station communicates with more than one point, a multi- or omni-directional antenna may be authorized if necessary. New Periscope antenna systems will not, under ordinary circumstances, be authorized.

(b) Stations operating below 2500 MHz (other than stations in the Multipoint Distribution Service) which are required to use directional antennas shall employ antennas meeting the standards indicated below. (Maximum beamwidth is for the major lobe of radiation at the half power points. Suppression is the minimum attenuation required for any secondary lobe signal and is referenced to the maximum signal in the main lobe.)

Frequency range	Maximum beamwidth (degrees)	Suppression (dB)
Below 512 MHz	80	10
512 to 1000 MHz	20	13
1500 to 2500 MHz	12	13

(c) Fixed stations (other than temporary fixed stations, Multipoint Distribution Service stations, and Digital Termination Service nodal stations) operating at 2,500 MHz or higher shall employ transmitting and receiving antennas meeting the appropriate performance Standard A indicated below, except that in areas not subjected to frequency congestion antennas meeting performance Standard B may be used subject to the liabilities set forth in § 21.109(b).

ANTENNA STANDARDS

Frequency (MHz)	Category	Maximum beamwidth to 3 dB points (included angle in degrees)	Minimum antenna gain (dBi)	Minimum radiation suppression to angle in degrees from centerline of main beam in decibels						
				5° to 10°	10° to 15°	15° to 20°	20° to 30°	30° to 100°	100° to 140°	140° to 180°
932.5 to 935	A	14.0	n/a		6	11	14	17	20	24
941.5 to 944	B	20.0	n/a			6	10	13	15	20
2,500 to 5,000	A	NA	36.0	23	29	33	36	42	55	55
	B	NA	36.0	20	24	28	32	32	32	32
5,000 to 10,550	A	NA	38.0	25	29	33	36	42	55	55
	B	NA	38.0	20	24	28	32	35	36	36
10,550 to 10,565 [4]	A	3.4	34.0	20	24	28	32	35	55	55
	B	3.4	34.0	20	24	28	32	35	35	39
10,565 to 10,615	NA	360	NA	NA	NA	NA	NA	NA	NA	NA
10,615 to 10,630	A	3.4	34.0	20	24	28	32	35	55	55
	B	3.4	34.0	20	24	28	32	35	35	39
10,630 to 10,680	NA	NA	34.0	20	24	28	32	35	36	36
17,700 to 18,820	A	NA	38.0	25	29	33	36	42	55	55
	B	NA	38.0	20	24	28	32	35	36	36
18,920 to 19,700 [1]	A	NA	38.0	25	29	33	36	42	55	55
	B	NA	38.0	20	24	28	32	35	36	36
21,200 to 23,600	A	NA	38.0	25	29	33	36	42	55	55
	B	NA	38.0	20	24	28	32	35	36	36
31,000 to 31,300 [2] [3]	NA	4.0	38.0	NA	NA	NA	NA	NA	NA	NA
Above 31,300	A	NA	38.0	25	29	33	36	42	55	55
	B	NA	38.0	20	24	28	32	35	36	36

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[1] Digital Termination User Station antennas and point-to-point microwave radio station antennas in this band shall meet performance Standard B and have a minimum antenna gain of 34 dBi.

[2] The minimum front-to-back ratio shall be 38 dBi.

[3] Mobile, except aeronautical mobile, stations need not comply with these standards.

[4] Except for such antennas between 140° and 180° authorized or pending on January 1, 1989, for which minimum radiation suppression to angle (in degrees) from centerline of main beam is 36 decibles.

NOTE: Stations must employ an antenna that meets the performance standards for Category A, except that in areas not subject to frequency congestion, antennas meeting standards for Category B may be employed. Note, however, that the Commission may require the use of a high performance antenna where interference problems can be resolved by the use of such antennas.

(d) In cases where passive reflectors are employed in conjunction with transmitting antenna systems, the foregoing paragraphs of this section also shall be applicable thereto. However, in such instances, the center of the major lobe of radiation from the antenna normally shall be directed at the passive reflector, and the center of the major lobe of radiation from the passive reflector directed toward the receiving station with which it communicates.

(e) These limitations are necessary to minimize the probability of harmful interference to reception in the bands 5925-6525 MHz on board geostationary space stations in the fixed-satellite service (Part 25).

(1) *5925 to 6525 MHz.* No directional transmitting antenna utilized by a fixed station operating in these bands shall be aimed within 2 degrees of the geostationary-satellite orbit, taking into account atmospheric refraction. However, exception may be made in unusual circumstances upon a showing that there is no reasonable alternative to the transmission path proposed. If there is no evidence that such exception would cause possible harmful interference to an authorized satellite system, said transmission path may be authorized on waiver basis where the maximum value of the equivalent isotropically radiated power (EIRP) does not exceed:

(i) +47 dBW for any antenna beam directed within 0.5 degrees of the stationary satellite orbit or

(ii) +47 to +55 dBW, on a linear decibel scale (8 dB per degree) for any antenna beam directed between 0.5 degrees and 1.5 degrees of the stationary orbit.

(2) Methods for calculating the azimuths to be avoided may be found in: CCIR Report No. 393 (Green Books), New Delhi, 1970; in "Radio-Relay Antenna Pointing for controlled Interference With Geostationary-Satellites" by C. W. Lundgren and A. S. May, *Bell System Technical Journal*, Vol. 48, No. 10, pp. 3387-3422, December 1969; and in "Geostationary Orbit Avoidance Computer Program" by Richard G. Gould, Common Carrier Bureau Report CC-7201, FCC, Washington, DC, 1972. This latter report is available through the National Technical Information Service, U.S. Department of Commerce, Springfield, VA 22151, in printed form (PB-211 500) or source card deck (PB-211 501).

[44 FR 60534, Oct. 19, 1979, as amended at 50 FR 7340, Feb. 22, 1985; 51 FR 19840, June 3, 1986; 52 FR 7141, Mar. 9, 1987; 52 FR 37783, Oct. 9, 1987; 54 FR 1942, Jan. 18, 1989; 54 FR 10328, Mar. 13, 1989]

§ 21.109 Antenna and antenna structures.

(a) In the event harmful interference is caused to the operation of other stations, the Commission may, after notice and opportunity for hearing, order changes to be made in the height, orientation, gain and radiation pattern of the antenna system.

(b) The Commission may require the replacement, at the licensee's expense, of any antenna or periscope antenna system of a permanent fixed station operating at 2500 MHz or higher which does not meet performance Standard A specified in § 21.108(c), upon a showing that said antenna causes or is likely to cause interference to (or receive interference from) any other authorized or proposed station whereas an antenna meeting performance Standard A is not likely to involve such interference.

[44 FR 60534, Oct. 19, 1979, as amended at 52 FR 37783, Oct. 9, 1987]

§ 21.110 Antenna polarization.

Stations operating in the radio services included in this part are not limited as to the type of polarization of the radiated signal, provided, however, that in the event interference in excess of permissible levels is caused to the operation of other stations the Commission may, after notice and opportunity for hearing, order the licensee to change the polarization of the radiated signal. No change in polarization shall be made without prior authorization from the Commission.

[52 FR 37783, Oct. 9, 1987]

§ 21.111 Simultaneous use of common antenna structures.

The simultaneous use of common antenna structures by more than one domestic public radio station, or by one or more domestic public radio stations and one or more stations of any other class or service, may be authorized: *Provided, however,* That each licensee or user of any such structure is responsible for maintaining the structure, and for painting and illuminating the structure when obstruction marking is required by the Commission. (See §§ 21.15(d).)

[44 FR 60534, Oct. 19, 1979, as amended at 52 FR 37783, Oct. 9, 1987]

§ 21.112 Marking of antenna structures.

No permittee or licensee who has been required to paint or light an antenna structure shall discontinue the required painting or lighting without having obtained prior written authorization therefor from the Commission. (For complete regulations relative to antenna marking requirements, see Part 17 of this chapter.)

§ 21.113 Quiet zones.

Quiet zones are those areas where it is necessary to restrict radiation so as to minimize possible impact on the operations of radio astronomy or other facilities that are highly sensitive to radio frequency interference. The areas involved and procedures required are as follows:

(a) In order to minimize possible harmful interference at the National Radio Astronomy Observatory site located at Green Bank, Pocahontas County, West Virginia, and at the Naval Radio Research Observatory site at Sugar Grove, Pendleton County, West Virginia, any applicant for a station authorization other than mobile, temporary base, or temporary fixed seeking authorization for a new station or to modify an existing station in a manner which would change either the frequency, power, antenna height or directivity, or location of such a station within the area bounded by 39°15′ N. on the north, 78°30′ W. on the east, 37°30′ N. on the south, and 80°30′ W. on the west shall, at the time of filing such application with the Commission, simultaneously notify the Director, National Radio Astronomy Observatory, Post Office Box No. 2, Green Bank, West Virginia 24944, in writing, of the technical particulars of the proposed operation. Such notification shall include the geographical coordinates of the antenna, antenna height, antenna directivity (if any), proposed frequency, type of emission, and power. In addition, the applicant shall indicate in his application to the Commission the date notification was made to the Observatory. After receipt of such applications, the Commission will allow a period of twenty (20) days for comments or objections in response to the notifications indicated. If an objection to the proposed operation is received during the 20-day period from the National Radio Astronomy Observatory for itself or on behalf of the Naval Radio Research Observatory, the Commission will consider all aspects of the problem and take whatever action is deemed appropriate.

(b) In order to minimize possible harmful interference at the Table Mountain Radio Receiving Zone of the Research Laboratories of the Department of Commerce located in Boulder County, Colorado, applicants for new or modified radio facilities in the vicinity of Boulder County, Colorado are advised to give due consideration, prior to filing applications, to the need to protect the Table Mountain Radio Receiving Zone from harmful interference. To prevent degradation of the present ambient radio signal level at the site, the Department of Commerce seeks to ensure that the field strengths of any radiated signals (excluding reflected signals) received on this 1800 acre site (in the vicinity of coordinates 40°07′50″ N Latitude, 105°14′40″ W Longitude) resulting from new assignments (other than mobile stations) or from the modification or relocation of existing facilities do not exceed the following values:

Frequency range	Field strength (mV/m) in authorized bandwidth of service	Power flux density [1] (dbW/m2) in authorized bandwidth of service
Below 540 kHz	10	−65.8
540 to 1600 kHz	20	−59.8
1.6 to 470 MHz	10	[2] −65.8
470 to 890 MHz	30	[2] −54.2
Above 890 MHz	1	[2] −85.8

[1] Equivalent values of power flux density are calculated assuming free space characteristic impedance of $376.7=120\pi$ ohms.

[2] Space stations shall conform to the power flux density limits at the earth's surface specified in appropriate parts of the FCC rules, but in no case should exceed the above levels in any 4 kHz band for all angles of arrival.

(1) Advance consultation is recommended particularly for those applicants who have no reliable data which indicates whether the field strength or power flux density figures in the above table would be exceeded by their proposed radio facilities (except mobile stations). In such instances, the following is a suggested guide for determining whether coordination is recommended:

(i) All stations within 1.5 statute miles;

(ii) Stations within 3 statute miles with 50 watts or more effective radiated power (ERP) in the primary plane of polarization in the azimuthal direction of the Table Mountain Radio Receiving Zone;

(iii) Stations within 10 statute miles with 1 kW or more ERP in the primary plane of polarization in the azimuthal direction of Table Mountain Receiving Zone;

(iv) Stations within 50 statute miles with 25 kW or more ERP in the primary plane of polarization in the azimuthal direction of Table Mountain Receiving Zone.

(2) Applicants concerned are urged to communicate with the Radio Frequency Management Coordinator, Department of Commerce, Research Support Services, NOAA R/E5X2, Boulder Laboratories, Boulder, CO 80303; telephone (303) 497-6548, in advance of filling their applications with the Commission.

(3) The Commission will not screen applications to determine whether advance consultation has taken place. However, applicants are advised that such consultation can avoid objections from the Department of Commerce or proceedings to modify any authorization which may be granted which, in fact, delivers a signal at the site in excess of the field strength specified herein.

(c) Protection for Federal Communications Commission monitoring stations:

(1) Applicants in the vicinity of an FCC monitoring station for a radio station authorization to operate new transmitting facilities or changed transmitting facilities which would increase the field strength produced over the monitoring station over that previously authorized are advised to give consideration, prior to filing applications, to the possible need to protect the FCC stations from harmful interference. Geographical coordinates of the facilities which require protection are listed in § 0.121(c) of the Commission's Rules. Applications for stations (except mobile stations) which will produce on any frequency a direct wave fundamental field strength of *greater than 10 mV/m* in the authorized bandwidth of service (-65.8 dBW/m^2 power flux density assuming a free space characteristic impedance of 120 ohms) at the referenced coordinates, may be examined to determine extent of possible interference. Depending on the theoretical field strength value and existing root-sum-square or other ambient radio field signal levels at the indicated coordinates, a clause protecting the monitoring station may be added to the station authorization.

(2) In the event that calculated value of expected field exceeds 10 mV/m (-65.8 dBW/m^2) at the reference coordinates, or if there is any question whether field strength levels might exceed the threshold value, advance consultation with the FCC to discuss any protection necessary should be considered. Prospective applicants may communicate with: Chief, Field Operations Bureau, Federal Communications Commission, Washington, DC 20554, Telephone (202) 632-6980.

(3) Advance consultation is suggested particularly for those applicants who have no reliable data which indicates whether the field strength or

power flux density figure indicated would be exceeded by their proposed radio facilities (except mobile stations). In such instances, the following is a suggested guide for determining whether an applicant should coordinate:

(i) All stations within 2.4 kilometers (1.5 statute miles);

(ii) Stations within 4.8 kilometers (3 statute miles) with 50 watts or more average effective radiated power (ERP) in the primary plane of polarization in the azimuthal direction of the Monitoring Stations.

(iii) Stations within 16 kilometers (10 statute miles) with 1 kW or more average ERP in the primary plane of polarization in the azimuthal direction of the Monitoring Station;

(iv) Stations within 80 kilometers (50 statute miles) with 25 kW or more average ERP in the primary plane of polarization in the azimuthal direction of the Monitoring Station;

(4) Advance coordination for stations operating above 1000 MHz is recommended only where the proposed station is in the vicinity of a monitoring station designated as a satellite monitoring facility in § 0.121(c) of the Commission's Rules and also meets the criteria outlined in paragraphs (c)(2) and (3) of this section.

(5) The Commission will not screen applications to determine whether advance consultation has taken place. However, applicants are advised that such consultation can avoid objections from the Federal Communications Commission or modification of any authorization which will cause harmful interference.

[44 FR 60534, Oct. 19, 1979, as amended at 44 FR 77167, Dec. 31, 1979; 50 FR 39001, Sept. 26, 1985; 52 FR 37783, Oct. 9, 1987]

§ 21.114 Temporary fixed antenna height restrictions.

The overall antenna structure heights employed by mobile stations in the Local Television Transmission Service and by stations authorized to operate at temporary fixed locations shall not exceed the height criteria set forth in § 17.7 of this chapter, unless in each instance, authorization for use of a specific maximum antenna height (above ground and above mean sea level) for each location has been obtained from the Commission prior to erection of the antenna. Requests for such authorization shall show the inclusive dates of the proposed operation. (Complete information as to rules concerning the construction, marking and lighting of antenna structures is contained in Part 17 of this chapter.)

§ 21.115 [Reserved]

§ 21.116 Topographical data.

Determining the location and height above sea level of the antenna site, the elevation or contour intervals shall be taken from United States Geological Survey Topographic Quadrangle Maps, United States Army Corps of Engineers maps or Tennessee Valley Authority maps, whichever is the latest, for all areas for which such maps are available. If such maps are not published for the area in question, the next best topographic information should be used. Topographic data may sometimes be obtained from State and municipal agencies. Data from Sectional Aeronautical Charts (including bench marks) or railroad depot elevations and highway elevations from road maps may be used where no better information is available. In cases where limited topographic data is available, use may be made of an altimeter in a car driven along roads extending generally radially from the transmitter site. If it appears necessary, additional data may be requested. United States Geological Survey Topographic Quadrangle Maps may be obtained from the Department of the Interior, Geological Survey, Washington, DC 20242. Sectional Aeronautical Charts are available from the Department of Commerce, Coast and Geodetic Survey, Washington, DC 20230.

[44 FR 60534, Oct. 19, 1979, as amended at 52 FR 37783, Oct. 9, 1987]

§ 21.117 Transmitter location.

(a) The applicant shall determine, prior to filing an application for a radio station authorization, that the antenna site specified therein is adequate to render the service proposed.

In cases of questionable antenna locations, it is desirable to conduct propagation tests to indicate the field intensity which may be expected in the principal areas or at the fixed points of communication to be served, particularly where severe shadow problems may be expected. In considering applications proposing the use of such locations, the Commission may require site survey tests to be made pursuant to a developmental authorization in the particular service concerned. In such cases, propagation tests should be conducted in accordance with recognized engineering methods and should be made with a transmitting antenna simulating, as near as possible, the proposed antenna installation. Full data obtained from such surveys and its analysis, including a description of the methods used and the name, address and qualifications of the engineer making the survey, must be supplied to the Commission.

(b) Antenna structures should be so located and constructed as to avoid making them hazardous to air navigation. (See Part 17 of this chapter for provisions relating to antenna structures.) Such installation shall be maintained in good structural condition together with any required painting or lighting.

§ 21.118 Transmitter construction and installation.

(a) The equipment at the operating and transmitting positions shall be so installed and protected that it is not accessible to, or capable of being operated by, persons other than those duly authorized by the licensee.

(b) In any case where the maximum modulating frequency of a transmitter is prescribed by the Commission, the transmitter shall be equipped with a low-pass or band-pass modulation filter of suitable performance characteristics. In those cases where a modulation limiter is employed, the modulation filter shall be installed between the transmitter stage in which limiting is effected and the modulated stage of the transmitter.

(c) Each transmitter employed in these services shall be equipped with an appropriately labeled pilot lamp or meter which will provide continuous visual indication at the transmitter when its control circuits have been placed in a condition to activate the transmitter. In addition, facilities shall be provided at each transmitter to permit the transmitter to be turned on and off independently of any remote control circuits associated therewith.

(d) [Reserved]

(e) At each transmitter control point the following facilities shall be installed:

(1) A carrier operated device which will provide continuous visual indication when the transmitter is radiating, or, in lieu thereof, a pilot lamp or meter which will provide continuous visual indication when the transmitter control circuits have been placed in a condition to activate the transmitter.

(2) Facilities which will permit the operator to turn transmitter carrier on and off at will.

(f) Transmitter control circuits from any control point shall be so installed that grounding or shorting any line in the control circuit will not cause the transmitter to radiate: *Provided, however,* That this provision shall not be applicable to control circuits of stations which normally operate with continuous radiation or to control circuits which are under the effective operational control of responsible operating personnel 24 hours per day.

[44 FR 60534, Oct. 19, 1979, as amended at 52 FR 37783, Oct. 9, 1987]

§ 21.119 Limitations on use of transmitters for other services.

Transmitters licensed for operation in services governed by this part may not be concurrently licensed or used for non-common carrier communication purposes except in the Multipoint Distribution Service. However, mobile units may be concurrently licensed or used for non-common carrier communication purposes provided that the transmitter is type-accepted for use in each service.

[52 FR 27555, July 22, 1987]

§ 21.120 Authorization of transmitters.

(a) Except for transmitters used at developmental stations or for fixed point-to-point operation pursuant to Subpart I, each transmitter shall be a type which has been type accepted by the Commission for use under the applicable rules of this part. Transmitters used in the point-to-point microwave service under Subpart I for fixed operation shall be of a type which has been either notified or type accepted by the Commission (see § 2.904(d) of this chapter). Effective March 5, 1984, only grants of notification will be issued for transmitters used exclusively for fixed point-to-point operation. Transmitters designed for use in the 31.0 to 31.3 GHz band shall be authorized under the notification procedure.

(b) Any manufacturer of a transmitter to be produced for use under the rules of this part may request type acceptance or notification by following the applicable procedures set forth in Part 2 of this chapter. Type accepted and notified transmitters are included in the Commission's Radio Equipment List. Copies of this list are available for inspection at the Commission's office in Washington, D.C. and at each of its field offices.

(c) Type acceptance or notification for an individual transmitter may also be requested by an applicant for a station authorization, pursuant to the procedures set forth in Part 2 of this chapter. An individual transmitter will not normally be included in the Radio Equipment List but will be enumerated on the station authorization.

(d) A transmitter presently shown on an instrument of authorization, which operates on an assigned frequency in the 890-940 MHz band and has not been type accepted, may continue to be used by the licensee without type acceptance provided such transmitter continues otherwise to comply with the applicable rules and regulations of the Commission.

[44 FR 60534, Oct. 19, 1979, as amended at 49 FR 3999, Feb. 1, 1984; 50 FR 7340, Feb. 22, 1985]

§ 21.121 [Reserved]

§ 21.122 Microwave digital modulation.

(a) Microwave transmitters employing digital modulation techniques and operating below 15 GHz shall, with appropriate multiplex equipment, comply with the following additional requirements:

(1) The bit rate, in bits per second, shall be equal to or greater than the bandwidth specified by the emission designator in Hertz (e.g. to be acceptable, equipment transmitting at a 20 MB/s rate must not require a bandwidth of greater than 20 MHz), except the bandwidth used to calculate the minimum rate shall not include any authorized guard band.

(2) Equipment to be used for voice transmission shall be capable of satisfactory operation within the authorized bandwidth to encode at least the following number of voice channels:

Frequency range	Number of encoded voice channels
2110 to 2130 MHz	96
2160 to 2180 MHz	96
3700 to 4200 MHz	1,152
5925 to 6425 MHz	1,152
10,700 to 11,700 MHz	1,152

(3) The required minimum number of channels shown in paragraph (a)(2) of this section may be reduced by a factor 1/N provided that N transmitters may be operated satisfactorily within an authorized bandwidth less than, or equal to, to the maximum authorizable bandwidth over the same radio path (e.g. (i) the 1152 channels requirement may be reduced to 576 if two transmitters can be satisfactorily operated over the same path within a 40 MHz maximum bandwidth for the 11 GHz band or (ii) reduced to 288 channels if four transmitters can be satisfactorily accommodated within this bandwidth). Applications submitted for equipment type acceptance designed to operate in this mode must include data which will demonstrate successful operation under typical transmission conditions. Where type accepted equipment is designed to operate on the same frequency in a cross-polarized configuration to meet the above capacity requirements, the Commission will require, at the time additional transmitters are authorized, that both polarizations of a frequency be used before a new frequency assignment is made, unless a single transmitter installation was found to be justi-

fied by the Commission at the time it authorized the first transmitter.

(b) For purposes of compliance with the emission limitation requirements of § 21.106(a)(2) of this part and the requirements of paragraph (a) of this section, digital modulation techniques are considered as being employed when digital modulation contributes 50 percent or more to the total peak frequency deviation of a transmitted radio frequency carrier. The total peak frequency deviation shall be determined by adding the deviation produced by the digital modulation signal and the deviation produced by any frequency division multiplex (FDM) modulation used. The deviation (D) produced by the FDM signal shall be determined in accordance with § 2.202(f) of Part 2 of this chapter.

(c) Transmitters employing digital modulation techniques shall effectively eliminate carrier spikes or single frequency tones in the output signal to the degree which would be obtained without repetitive patterns occurring in the signal.

(d) Transmitters type accepted for use with digital modulation prior to November 1, 1974 may continue to be used where authorized until December 31, 1976. After the latter date, such equipment will no longer be type accepted for digital modulation unless it is type accepted for such use after November 1, 1974.

(e) Microwave transmitters employing digital modulation techniques in the band 17,700-19,700 MHz shall transmit at a bit rate, in bits per second (bps), equal to or greater than the authorized bandwidth in Hertz (e.g., to be acceptable, equipment transmitting at a 20 Mbps rate must not require a authorized bandwidth greater than 20 MHz). This bps/Hz standard is independent of the antenna (polarization) used, frequency reuse, or how the system is configured.

NOTE: Until December 1, 1988, no minimum bit rate shall apply to the 17,700-19,700 MHz band. Systems authorized prior to that date may install equipment after that date with no minimum bit rate.

[44 FR 60534, Oct. 19, 1979, as amended at 46 FR 23451, Apr. 27, 1981; 49 FR 37775, Sept. 26, 1984]

Subpart D—Technical Operation

§ 21.200 Station inspection.

The licensee of each station authorized in the radio services included in this part shall make the station available for inspection by representatives of the Commission at any reasonable hour.

[44 FR 60534, Oct. 19, 1979, as amended at 52 FR 37783, Oct. 9, 1987]

§ 21.201 Posting of station authorization information.

Each licensee shall post at the station the name, address and telephone number of the custodian of the station license or other authorization if such license or authorization is not maintained at the station.

[52 FR 37784, Oct. 9, 1987]

§§ 21.202—21.208 [Reserved]

§ 21.209 Communications concerning safety of life and property.

(a) Handling and transmission of messages concerning the safety of life or property which is in imminent danger shall be afforded priority over other messages.

(b) No person shall knowingly cause to be transmitted any false or fraudulent message concerning the safety of life or property, or refuse upon demand immediately to relinquish the use of a radio circuit to enable the transmission of messages concerning the safety of life or property which is in imminent danger, or knowingly interfere or otherwise obstruct the transmission of such messages.

§ 21.210 Operation during emergency.

The licensee of any station in these services may, during a period of emergency in which normal communication facilities are disrupted as a result of hurricane, flood, earthquake, or similar disaster, utilize such station for emergency communication service in a manner other than that specified in the instrument of authorization: *Provided*, That (a) That as soon as possible after the beginning of such emergency use, notice be sent to the Commission at Washington, D.C. stating the nature of the emergency and the use to which the station is being put, and (b) that the emergency use of the station shall be discontinued as soon as substantially normal communication facilities are again available, and (c) that the Commission at Washington, D.C. shall be notified immediately when such special use of the station is terminated, and (d) that, in no event, shall any station engage in emergency transmission on frequencies other than, or with power in excess of, that specified in the instrument of authorization or as otherwise expressly provided by the Commission, or by law, and (e) that the Commission may, at any time, order the discontinuance of any such emergency communication.

[44 FR 60534, Oct. 19, 1979, as amended at 52 FR 37784, Oct. 9, 1987]

§ 21.211 Suspension of transmission.

Transmission shall be suspended immediately upon detection by the station or operator licensee or upon notification by the Commission of a deviation from the technical requirements of the station authorization and shall remain suspended until such deviation is corrected, except for transmission concerning the immediate safety of life or property, in which case transmission shall be suspended immediately after the emergency is terminated.

§§ 21.212—21.213 [Reserved]

§ 21.214 Operation of stations at temporary fixed locations for communication between the United States and Canada or Mexico.

Stations authorized to operate at temporary fixed locations shall not be used for transmissions between the United States and Canada, or the United States and Mexico, without prior specific notification to, and authorization from, the Commission. Notification of such intended usage of the facilities should include a detailed showing of the operation proposed, including the parties involved, the nature of the communications to be handled, the terms and conditions of such operations, the time and place of operation, such other matters as the applicant deems relevant, and a showing as to how the public interest, convenience and necessity would be served by the proposed operation. Such notification should be given sufficiently in advance of the proposed date of operation to permit any appropriate correlation with the respective foreign government involved (see §§ 21.708, 21.806, 21,807, and 21.808).

[44 FR 60534, Oct. 19, 1979, as amended at 52 FR 37784, Oct. 9, 1987]

Subpart E—Miscellaneous

§ 21.300 [Reserved]

§ 21.301 National defense; free service.

Any common carrier or Multipoint Distribution Service non-common carrier authorized under the rules of this part may render to any agency of the United States Government free service in connection with the preparation for the national defense. Every such carrier or Multipoint Distribution Service non-common carrier rendering any such free service shall make and file, in duplicate, with the Commission, on or before the 31st of July and on or before the 31st day of January in each year, reports covering the periods of 6 months ending on the 30th of June and the 31st of December, respectively, next prior to said dates. These reports shall show the names of the agencies to which free service was rendered pursuant to this rule, the general character of the communications handled for each agency, and the charges in dollars which would have accrued to the carrier or Multipoint Distribution Service non-common carrier for such service rendered to each agency if charges for such communications had been collected at the published tariff rates.

[52 FR 27555, July 22, 1987]

§ 21.302 Answers to notices of violation.

Any person receiving official notice of a violation of the terms of the Communications Act of 1934, as amended, any other Federal statute or Executive Order pertaining to radio or wire communications or any international radio or wire communications treaty or convention, or regulations annexed thereto to which the United States is a party, or the rules and regulations of the Federal Communications Commission, shall, within 10 days from such receipt, send a written answer to the office of the Commission originating the official notice. If an answer cannot be sent or an acknowledgment made within such 10-day period by reason of illness or other unavoidable circumstances, acknowledgment and answer shall be made at the earliest practicable date with a satisfactory explanation of the delay. The answer to each notice shall be complete in itself and shall not be abbreviated by reference to other communications or answers to other notices. If the notice relates to some violation that may be due to the physical or electrical characteristics of transmitting apparatus, the answer shall state fully what steps have been taken to prevent future violations, and, if any new apparatus is to be installed, the date such apparatus was ordered, the name of the manufacturer, and promised date of delivery. If the installation of such apparatus requires a construction permit, the file number of the application shall be given or, if a file number has not been assigned by the Commission, such identification as will permit ready reference thereto. If the notice of violation relates to inadequate maintenance resulting in improper operation of the transmitter, the name and license number of the operator performing the maintenance shall be given. If the notice of violation relates to some lack of attention to, or improper operation of, the transmitter by other employees, the reply shall set forth the steps taken to prevent a recurrence of such lack of attention or improper operation.

§ 21.303 Discontinuance, reduction or impairment of service.

(a) If the public communication service provided by a station in the Domestic Public Radio Services is involuntarily discontinued, reduced or impaired for a period exceeding 48 hours, the station licensee shall promptly give notification thereof in writing to the Commission at Washington, DC 20554. In such cases, the licensee shall furnish full particulars as to the reasons for such discontinuance, reduction or impairment of service, including a statement as to when normal service is expected to be resumed. When normal service is resumed, prompt notification thereof shall be given in writing to the Commission at Washington, DC 20554.

(b) No station licensee subject to Title II of the Communications Act of 1934, as amended, shall voluntarily discontinue, reduce or impair public communication service to a community or part of a community without obtaining prior authorization from the Commission pursuant to the procedures set forth in Part 63 of this chapter or complying with the requirements set forth at § 21.910. In the event that permanent discontinuance of service is authorized by the Commission, the station licensee shall promptly send the station license to the Commission at Washington, DC 20554, for cancellation, except that Multipoint Distribution Service station licenses need not be surrendered for cancellation if the discontinuance is the result of a change of status by a Multipoint Distribution Service licensee from common carrier to non-common carrier pursuant to § 21.910.

(c) Any station licensee, not subject to Title II of the Communications Act of 1934, as amended, who voluntarily discontinues, reduces or impairs public communication service to a community or part of a community shall give written notification to the Commission within 7 days thereof. In the event of permanent discontinuance of service, the station licensee shall promptly send the station license to the Commission at Washington, DC 20554, for cancellation, except that Multipoint Distribution Service station licenses need not be surrendered for cancellation if the discontinuance is the result of a change of status by a Multipoint Distribution Service licensee from non-common carrier to common carrier.

(d) If any radio frequency should not be used to render any service as authorized during a consecutive period of twelve months at any time after construction is completed and a certification of completion of construction has been filed, under circumstances that do not fall within the provisions of paragraph (a), (b) or (c) of this section, or, if removal of equipment or facilities has rendered the station not operational, the licensee shall, within thirty days of the end of such period of nonuse:

(1) Submit for cancellation the station license (or licenses) to the Commission at Washington, DC 20554;

(2) File an application for modification of the license (or licenses) to delete the unused frequency (or frequencies); or

(3) Request waiver of this rule and demonstrate either that the frequency will be used (as evidenced by appropriate requests for service, etc.) within six months of the end of the initial period of nonuse, or that the frequency will be converted to allow rendition of other authorized public services within one year of the end of the initial period of nonuse by the filing of appropriate applications within six months of the end of the period of nonuse.

If any frequency authorization is cancelled under this paragraph, the Commission will declare by public notice the frequency (or frequencies) vacated.

[44 FR 60534, Oct. 19, 1979, as amended at 52 FR 27555, July 22, 1987; 52 FR 37784, Oct. 9, 1987]

§ 21.304 Tariffs, reports, and other material required to be submitted to the Commission.

Sections 1.771 through 1.815 of this chapter contain summaries of certain materials and reports, including schedule of charges and accounting and financial reports, which, when applicable, must be filed with the Commission.

[52 FR 37784, Oct. 9, 1987]

§ 21.305 Reports required concerning amendments to charters and partnership agreements.

Any amendments to charters, articles of incorporation or association, or partnership agreements shall promptly be filed at the Commission's main office in Washington, D.C. Such filing shall be directed to the attention of the Chief, Common Carrier Bureau.

§ 21.306 Requirement that licensees respond to official communications.

All licensees in these services are required to respond to official communications from the Commission with reasonable dispatch and according to the tenor of such communications. Failure to do so will be given appropriate consideration in connection with any subsequent applications which the offending party may file and may result in the designation of such applications for hearing, or in appropriate cases, the institution of proceedings looking to the modification or revocation of the pertinent authorizations.

[44 FR 60534, Oct. 19, 1979, as amended at 52 FR 37784, Oct. 9, 1987]

§ 21.307 Equal employment opportunities.

(a) *General policy.* Equal opportunity in employment shall be afforded by all common carrier licensees or permittees to all qualified persons, and no personnel shall be discriminated against in employment because of sex, race, color, religion, or national origin.

(b) *Equal employment opportunity program.* Each licensee or permittee shall establish, maintain, and carry out, a positive continuing program of specific practices designed to assure equal opportunity in every aspect of employment policy and practice. Under the terms of its program, a licensee or permittee shall:

(1) Define the responsibility of each level of management to insure a positive application and vigorous enforcement of the policy of equal opportunity, and establish a procedure to review and control managerial and supervisory performance.

(2) Inform its employees and recognized employee organizations of the positive equal employment opportunity policy and program and enlist their cooperation.

(3) Communicate its equal employment opportunity policy and program and its employment needs to sources of qualified applicants without regard to sex, race, color, religion, or national origin, and solicit their recruitment assistance on a continuing basis.

(4) Conduct a continuing campaign to exclude every form of prejudice or discrimination based upon sex, race,

color, religion, or national origin, from the licensee's or permittee's personnel policies and practices and working conditions.

(5) Conduct a continuing review of job structure and employment practices and adopt positive recruitment, training, job design and other measures needed in order to insure genuine equality of opportunity to participate fully in all organizational units, occupations and levels of responsibility.

(c) *Additional information to be furnished to the Commission.* (1) Equal Employment Programs to be filed by common carrier licensees or permittees.

(i) All licensees or permittees will file a statement of their equal employment opportunity program not later than December 17, 1970, indicating specific practices to be followed in order to assure equal employment opportunity on the basis of sex, race, color, religion, or national origin in such aspects of employment practices as regards recruitment, selection, training, placement, promotion, pay, working conditions, demotion, layoff, and termination.

(A) Any changes or amendments to existing programs should be filed with the Commission on April 1 of each year thereafter.

(B) If a licensee or permittee has fewer than 16 full-time employees, no such statement need be filed.

(2) The program should reasonably address itself to such specific areas as set forth below, to the extent that they are appropriate in terms of licensee size, location, etc.

(i) *To assure nondiscrimination in recruiting.* (A) Posting notices in the licensee's or permittee's offices informing applicants for employment of their equal employment rights and their right to notify the Equal Employment Opportunity Commission, the Federal Communications Commission, or other appropriate agency. Where a substantial number of applicants are Spanish-surnamed Americans such notice should be posted in Spanish and English.

(B) Placing a notice in bold type on the employment application informing prospective employees that discrimination because of sex, race, color, religion, or national origin is prohibited and that they may notify the Equal Employment Opportunity Commission, the Federal Communications Commission or other appropriate agency if they believe they have been discriminated against.

(C) Placing employment advertisements in media which have significant circulation among minority-group people in the recruiting area.

(D) Recruiting through schools and colleges with significant minority group enrollments.

(E) Maintaining systematic contacts with minority and human relations organizations, leaders, and spoksmen to encourage referral of qualified minority or female applicants.

(F) Encouraging present employees to refer minority or female applicants.

(G) Making known to the appropriate recruitment sources in the employer's immediate area that qualified minority members are being sought for consideration whenever the licensee hires.

(ii) *To assure nondiscrimination in selection and hiring.* (A) Instructing personally those on the staff of the licensee or permittee who make hiring decisions that all applicants for all jobs are to be considered without discrimination.

(B) Where union agreements exist, cooperating with the union or unions in the development of programs to assure qualified minority persons or females of equal opportunity for employment, and including an effective nondiscrimination clause in new or renegotiated union agreements.

(C) Avoiding use of selection techniques or tests which have the effect of discriminating against minority groups or females.

(iii) *To assure nondiscriminatory placement and promotions.* (A) Instructing personally those of the licensee's or permittee's staff who make decisions on placement and promotion that minority employees and females are to be considered without discrimination, and that job areas in which there is little or no minority or female representation should be reviewed to determine whether this results from discrimination.

(B) Giving minority groups and female employees equal opportunity for positions which lead to higher positions. Inquiring as to the interest and skills of all lower-paid employees with respect to any of the higher-paid positions, followed by assistance, counseling, and effective measures to enable employees with interest and potential to qualify themselves for such positions.

(C) Reviewing seniority practices to insure that such practices are nondiscriminatory and do not have a discriminatory effect.

(D) Avoiding use of selection techniques or tests, which have the effect of discriminating against minority groups or females.

(iv) *To assure nondiscrimination in other areas of employment practices.* (A) Examining rates of pay and fringe benefits for present employees with equivalent duties, and adjusting any inequities found.

(B) Providing opportunity to perform overtime work on a basis that does not discriminate against qualified minority groups or female employees.

(d) *Report of complaints filed against licensees and permittees.* (1) All licensees or permittees shall submit an annual report to the FCC no later than May 31 of each year indicating whether any complaints regarding violations by the licensee or permittee or equal employment provisions of Federal, State, Territorial, or local law have been filed before anybody having competent jurisdiction.

(i) The report should state the parties involved, the date filing, the courts or agencies before which the matters have been heard, the appropriate file number (if any), and the respective disposition or current status of any such complaints.

(ii) Any licensee or permittee who has filed such information with the EEOC need not do so with the Commission, if such previous filing is indicated.

(e) *Complaints of violations of Equal Employment Programs.* (1) Complaints alleging employment discrimination against a common carrier licensee will be considered by the Commission in the following manner:

(i) If a complaint raising an issue of discrimination is received against a licensee or permittee who is within the jurisdiction of the EEOC, it will be submitted to that agency. The Commission will maintain a liaison with that agency which will keep the Commission informed of the disposition of complaints filed against any of the common carrier licensees.

(ii) Complaints alleging employment discrimination against a common carrier licensee or permittee who does not fall under the jurisdiction of the EEOC but is covered by appropriate enforceable State law, to which penalties apply, may be submitted by the Commission to the respective State agency.

(iii) Complaints alleging employment discrimination against a common carrier licensee or permittee who does not fall under the jurisdiction of the EEOC or an appropriate State law, will be accorded appropriate treatment by the FCC.

(iv) The Commission will consult with the EEOC on all matters relating to the evaluation and determination of compliance by the common carrier licensees or permittees with the principles of equal employment as set forth herein.

(2) Complaints indicating a general pattern of disregard of equal employment practices which are received against a licensee or permittee who is required to file an employment report to the Commission under § 1.815(a) of this chapter, will be investigated by the Commission.

(f) *Records available to public*—(1) *Commission records.* A copy of every annual employment report, equal employment opportunity program, and reports on complaints regarding violation of equal employment provisions of Federal, State, Territorial, or local law, and copies of all exhibits, letters, and other documents filed as part thereof, all amendments thereto all correspondence between the permittee or licensee and the Commission pertaining to the reports after they have been filed and all documents incorporated therein by reference, are open for public inspection at the offices of the Commission.

(2) *Records to be maintained locally for public inspection by licensees or permitees*—(i) *Records to be maintained.* Each licensee or permittee required to file annual employment reports, equal employment opportunity programs, and annual reports on complaints regarding violations of equal employment provisions of Federal, State, Territorial, or local law shall maintain, for public inspection, in the same manner and in the same locations as required for the keeping and posting of tariffs as set forth in § 61.72 of this chapter, a file containing a copy of each such report and copies of all exhibits, letters, and other documents filed as part thereto, all correspondence between the permittee or licensee and the Commission pertaining to the reports after they have been filed and all documents incorporated therein by reference.

(ii) *Period of retention.* The documents specified in paragraph (f)(2)(i) of this section shall be maintained for a period of 2 years.

Subpart F—Developmental Authorizations

§ 21.400 Eligibility.

Developmental authorizations for stations in the radio services included in this part will be issued only to existing and proposed communication common carriers who are legally, financially and otherwise qualified to conduct experimentation utilizing hertzian waves for the development of engineering or operational data, or techniques, directly related to a proposed Part 21 radio service or to a regularly established radio service regulated by the rules of this part.

§ 21.401 Scope of service.

Developmental authorizations may be issued for:

(a) Field strength surveys relative to or precedent to the filing of applications for licenses, in connection with the selection of suitable locations for stations proposed to be established in any of the regularly established radio services regulated by the rules of this part; or

(b) The testing of existing or authorized antennas, wave guides, or transmission paths.

[44 FR 60534, Oct. 19, 1979, as amended at 52 FR 37784, Oct. 9, 1987]

§ 21.402 Adherence to program of research and development.

The program of research and development, as stated by an applicant in the application for license or stated in the instrument of station authorization, shall be substantially adhered to unless the licensee is otherwise authorized by the Commission.

[44 FR 60534, Oct. 19, 1979, as amended at 52 FR 37784, Oct. 9, 1987]

§ 21.403 Special procedure for the development of a new service or for the use of frequencies not in accordance with the provisions of the rules in this part.

(a) An authorization for the development of a new common carrier service not in accordance with the provisions of the rules in this part may be granted for a limited time, but only after the Commission has made a preliminary determination with respect to the factors set forth in this paragraph, as each case may require. This procedure also applies to any application that involves use of a frequency which is not in accordance with the provisions of the rules in this part, although in accordance with the Table of Frequency Allocations contained in Part 2 of this chapter. (An application which involves use of a frequency which is not in accordance with the Table of Frequency Allocations in Part 2 of this chapter should be filed in accordance with the provisions of Part 5 of this chapter, Experimental Radio Services (other than Broadcast).) The factors with respect to which the Commission will make a preliminary determination before acting on an application filed under this paragraph are as follows:

(1) That the public interest, convenience or necessity warrants consideration of the establishment of the proposed service or the use of the proposed frequency;

(2) That the proposed operation appears to warrant consideration to effect a change in the provisions of the rules in this part; and/or

(3) That some operational data should be developed for consideration in any rule making proceeding which may be initiated.

(b) Applications for stations which are intended to be used in the development of a proposed service shall be accompanied by a petition to amend the Commission's rules with respect to frequencies and such other items as may be necessary to provide for the regular establishment of the proposed service.

[44 FR 60534, Oct. 19, 1979, as amended at 52 FR 37784, Oct. 9, 1987]

§ 21.404 Terms of grant; general limitations.

(a) Developmental authorizations normally shall be issued for one year, or such shorter term as the Commission may deem appropriate in any particular case, and shall be subject to cancellation without hearing by the Commission at any time upon notice to the licensee.

(b) Where some phases of the developmental program are not covered by the general rules of the Commission or by the rules of this part, the Commission may specify supplemental or additional requirements or conditions in each case as it may deem necessary in the public interest, convenience or necessity.

(c) Frequencies allocated to the service toward which such development is directed will be assigned for developmental operation on the basis that no interference will be caused to the regular services of stations operating in accordance with the Commission's Table of Frequency Allocations (§ 2.106 of this chapter).

(d) The rendition of communication service for hire is not permitted under any developmental authorizations unless specifically authorized by the Commission.

(e) The grant of a developmental authorization carries with it no assurance that the developmental program, if successful, will be authorized on a permanent basis either as to the service involved or the use of the frequencies assigned or any other frequencies.

§ 21.405 Supplementary showing required.

(a) Authorizations for development of a proposed radio service in the services included in this part will be issued only upon a showing that the applicant has a definite program of research and development, the details of which shall be set forth, which has reasonable promise of substantial contribution to these services within the term of such authorization. A specific showing should be made as to the factors which qualify the applicant technically to conduct the research and development program, including a description of the nature and extent of engineering facilities that the applicant has available for such purposes.

(b) Expiring developmental authorizations may be renewed only upon the applicant's compliance with the applicable requirements of § 21.406 (a) and (b) relative to the authorization sought to be renewed and upon a factual showing that further progress in the program of research and development requires further radio transmission and that the public interest, convenience or necessity would be served by renewal of such authorization.

[44 FR 60534, Oct. 19, 1979, as amended at 52 FR 37784, Oct. 9, 1987]

§ 21.406 Developmental report required.

(a) Upon completion of the program of research and development, or, in any event, upon the expiration of the instrument of station authorization under which such investigations were permitted, or at such times during the term of the station authorization as the Commission may deem necessary to evaluate the progress of the developmental program, the licensee shall submit, in duplicate, a comprehensive report on the following items, in the order designated:

(1) Report on the various phases of the project which were investigated.

(2) Total number of hours of operation on each frequency assigned.

(3) Copies of any publication on the project.

(4) A listing of any patents applied for, including copies of any patents issued as a consequence of the activities carried forth under the authorization.

(5) Detailed analysis of the result obtained.

(6) Any other pertinent information.

(b) In addition to the information required by paragraph (a) of this section, the developmental report of a station authorized for the development of a proposed radio service shall include comprehensive information on the following items:

(1) Probable public support and methods of its determination.

(2) Practicability of service operations.

(3) Interference encountered.

(4) Pertinent information relative to merits of the proposed service.

(5) Propagation characteristics of frequencies used, particularly with respect to the service objective.

(6) Frequencies believed to be more suitable and reasons therefor.

(7) Type of signals or communications employed in the experimental work.

(c) Normally, developmental reports will be made a part of the Commission's public records. However, an applicant may request that the Commission withhold from the public certain reports and associated material relative to the accomplishments achieved under developmental authorization, and, if it appears that such information should be withheld, the Commission will so direct.

Subpart G—Digital Electronic Message Service

SOURCE: 46 FR 23451, Apr. 27, 1981, unless otherwise noted.

§ 21.500 Eligibility.

Authorization for Digital Termination Systems may be granted to existing and proposed communications common carriers. Applications will be granted only in cases in which the applicant establishes it is legally, technically, financially and otherwise qualified to render the services proposed and that the public interest, convenience and necessity would be served by such a grant. Each application will identify the Standard Metropolitan Statistical Area (SMSA) within which boundaries the DTS nodal station will be constructed and which the facility will serve.

[52 FR 37784, Oct. 9, 1987]

§ 21.501 Digital Termination Nodal Stations may be authorized only as part of a Digital Termination System.

Digital Termination Nodal Stations may be authorized only as a part of an integrated communication system wherein Digital Termination User Stations associated therewith also are licensed to the Digital Termination Nodal Station licensee. Applications for Digital Termination Nodal Station licenses should specify the maximum number of Digital Termination User Stations to be served by that nodal station. Any increase in that number must be applied for pursuant to § 21.7.

[46 FR 23451, Apr. 27, 1981, as amended at 52 FR 37784, Oct. 9, 1987]

§ 21.502 Frequencies.

(a) Frequencies in the bands 10,550-10,680 MHz and 17,700-19,700 MHz are available for assignment for all DEMS applicants. Assignments will consist of a pair of channels as set out in paragraphs (b), (c), (d) and (g) of this section plus internodal channels as set out in paragraphs (f) and (i) of this section.

NOTE: New applications for the assignment of channel nos. 4, 7, 9 and 19/20 in the 10,500-10,680 MHz band that have been reallocated for private DTS stations will not be accepted after September 9, 1983. Existing licensees and pending applicants are permitted to submit applications for renewal and for additional nodal and associated user stations within the SMSA for which they have applied or have been authorized for use. Applications for the assignment of frequencies in the 17,700-19,700 MHz band as indicated in paragraph (h) will be accepted only for channels 6-A, 6-B, 7-A, 7-B, 8-A, 8-B, 9-A, 9-B, 10-A, and 10-B. Channel Nos. 1-A through 5-A and 1-B through 5-B are available for assignment to private DTS stations under Part 94 rules.

(b) Applicants and licensees in the 10 GHz band may apply for an additional channel pair in that band provided the proposed channel assignments, when aggregated with any previously proposed or granted channel assignment in the 10 GHz band, would not result in the applicant or licensee being granted more than 5 MHz of bandwidth in the 10 GHz band in the SMSA, excluding internodal channels.

(c) Except as provided in (b), licensees may apply for an additional channel pair in an SMSA only when it is operating its previously authorized DTS at or near the expected capacity and the service to be provided will fully utilize all spectrum requested.

(d) Assignments in the 10 550-10 680 MHz band shall be made according to the following plan:

CHANNEL GROUP A

Channel No.	Frequency band limits MHz
1-A	10 565-10 570
2-A	10 570-10 575
3-A	10 575-10 580
4-A	10 580-10 585

CHANNEL GROUP B

Channel No.	Frequency band limits MHz
1-B	10 630-10 635
2-B	10 635-10 640
3-B	10 640-10 645
4-B	10 645-10 650

Each assignment will consist of one channel from Group A and the same numbered channel from Group B. The channel from Group A will be used for the Digital Termination Nodal Station transmitter and the channel from Group B will be used for Digital Termination User Station transmitters. The channels will be assigned in each SMSA starting with Channel pair 1 and continuing upward to Channel pair 4. These channels may be subdivided as desired by the licensee.

(e) Assignments in the 10 550-10 680 MHz band shall be made according to the following plan:

CHANNEL GROUP A

Channel No.	Frequency band limits MHz
5-A	10 600.0-10 602.5
6-A	10 602.5-10 605.0
7-A	10 605.0-10 607.5
8-A	10 607.5-10 610.0
9-A	10 610.0-10 612.5
10 A	10 612.5-10 615.0

CHANNEL GROUP B

Channel No.	Frequency band limits MHz
5-B	10 665.0-10 667.5
6-B	10 667.5-10 670.0
7-B	10 670.0-10 672.5
8-B	10 672.5-10 675.0
9-B	10 675.0-10 677.5
10 B	10 677.5-10 680.0

Each assignment for operation will consist of one channel from Group A and the corresponding channel from Group B. The channel from Group A will be used for the Digital Termination Nodal Station transmitter and the channel from Group B will be used for Digital Termination User Station transmitters. The channels will be assigned in each SMSA starting with channel pair 10 and continuing downward to channel pair 5. These channels may be subdivided as desired by the licensee.

(f) The bands 10 550-10 565 MHz and 10 615-10 630 MHz are available to the Point-to-Point Microwave Radio Service. Assignments in these bands will be made according to the following plan:

CHANNEL GROUP A

Channel No.	Frequency band limits MHz
11-A	10 550.0-10 552.5
12-A	10 552.5-10 555.0
13-A	10 555.0-10 557.5
14-A	10 557.5-10 560.0
15-A	10 560.0-10 561.25
16-A	10 561.25-10 562.5
17-A	10 562.5-10 563.75
18-A	10 563.75-10 565.0

CHANNEL GROUP B

Channel No.	Frequency band limits MHz
11-B	10 615.0-10 617.5
12-B	10 617.5-10 620.0
13-B	10 620.0-10 622.5
14-B	10 622.5-10 625.0
15-B	10 625.0-10 626.25
16-B	10 626.25-10 627.5
17-B	10 627.5-10 628.75
18-B	10 628.75-10 630.0

The assignment of these channels will be in accord with the demonstrated requirement of the applicant. The preferred use of these channels is to provide internodal communications for Digital Termination Systems. All applicants for these channels shall follow the frequency coordination procedures of § 21.100(d).

(g) The bands 10,585-10,600 MHz and 10,650-10,665 MHz will be available for applicants when all the available channels have been assigned or when applications have been accepted for all available channels. Assignments in these bands will be according to the following plan:

CHANNEL GROUP A

Channel No.	Frequency band limits MHz
19-A	10 585.0-10 587.5
20-A	10 587.5-10 590.0
21-A	10 590.0-10 592.5
22-A	10 592.5-10 595.0
23-A	10 595.0-10 597.5
24-A	10 597.5-10 600.0

CHANNEL GROUP B

Channel No.	Frequency band limits MHz
19-B	10 650.0-10 652.5
20-B	10 652.5-10 655.0
21-B	10 655.0-10 657.5
22-B	10 657.5-10 660.0
23-B	10 660.0-10 662.5
24-B	10 662.5-10 665.0

Licensees will be assigned one pair of channels from Group A and the corresponding pair of channels from Group B. These channels may be adjacent, if available as such. The channel from Group A will be used for the Digital Termination Nodal Station transmitter and the channel from Group B will be used for Digital Termination User Station transmitter. Each pair of channels if adjacent may be used as a single channel if licensees comply with technical standards for use of a single 5 MHz channel. Assignments will start with channels 19 and 20 and proceed upward.

(h) Digital Termination System assignments in the 18 GHz band shall be made according to the following plan:

Channel No.	Nodal station frequency band (MHz)	User station frequency band (MHz)
30	18,870-18,880	19,210-19,220
31	18,880-18,890	19,220-19,230
32	18,890-18,900	19,230-19,240
33	18,900-18,910	9,240-19,250
34	18,910-18,920	19,250-19,260

These channel pairs will be assigned in each SMSA and may be subdivided as desired by the licensee.

(i) Internodal link assignments are to be made in accordance with the provisions of Subpart I of Part 21, applying to point-to-point operations.

[46 FR 23451, Apr. 27, 1981, as amended at 47 FR 29245, July 6, 1982; 48 FR 50330, Nov. 1, 1983; 49 FR 37775, Sept. 26, 1984; 52 FR 37784, Oct. 9, 1987]

§ 21.503 Frequency stability.

(a) In the frequency band 10,550-10,680 MHz the frequency stability of each Digital Termination Nodal Station transmitter authorized for this service shall be ±0.0001%. The frequency stability of each Digital Termination User Station transmitter authorized for this service shall be ±0.0003%.

(b) In the frequency band 17,700-19,700 MHz the frequency stability of each Digital Termination Nodal Station transmitter authorized for this service shall be ±0.001%. The frequency stability of each Digital Termination User Station transmitter authorized for this service shall be ±0.003%.

[49 FR 37775, Sept 26, 1984]

§ 21.504 Frequency interference.

(a) All harmful interference to other users and blocking of adjacent channel use in the same city and cochannel use in nearby Standard Metropolitan Statistical Areas is prohibited. In areas where SMSA's are in close proximity, careful consideration should be given to minimum power requirements and to the location, height, and radiation pattern of the transmitting antenna. Licensees and applicants are expected to cooperate fully in attempting to resolve problems of potential interference before bringing the matter to the attention of the Commission.

(b) As a condition for use of frequencies in this service each carrier is required to:

(1) Engineer the system to be reasonably compatible with adjacent channel operations in the same city; and

(2) Cooperate fully and in good faith to resolve whatever potential interference and transmission security problems may be present in adjacent channel operation.

(c) The following interference studies, as appropriate, shall be included with each application for a new or major modification in a Digital Termination Nodal Station:

(1) An analysis of the potential for harmful interference with other stations if the coordinates of any proposed station are located within 80 kilometers (50 miles) of the coordinates of any authorized, or previously proposed station(s) that utilizes, or would utilize, the same frequency or an adjacent potentially interfering frequency; and

(2) An analysis concerning possible adverse impact upon Canadian communications if the station's transmitting antenna is to be located within 55 kilometers (35 miles) of the Canadian border.

(d) In addition a copy of the interference analysis submitted in response to paragraph (c)(1) of this section must be served on all applicants and/or grantees concerned within 5 days of its submission to the Commission.

[46 FR 23451, Apr. 27, 1981, as amended at 48 FR 50331, Nov. 1, 1983; 52 FR 37785, Oct. 9, 1987]

§ 21.505 Purpose and permissible service.

(a) The Digital Electronic Message Service is intended to provide for the exchange of digital information among and between subscribers using one or more Digital Termination Systems.

(b) Unless otherwise directed or conditioned in the applicable instrument of authorization, Digital Electronic Message Service may be used to exchange any type of digital information consistent with the Commission's Rules and the applicable tariff of the carrier.

(c) The carrier's tariff shall fully describe the parameters of the service to be provided, including the degree of communications security a subscriber can expect in ordinary service.

§ 21.506 Transmitter power.

(a) For stations operating in the 10,550-10,680 MHz band, the following restrictions apply:

(1) The output power of a Digital Electronic Message Service nodal transmitter shall not exceed 0.5 watt per 250 kHz. Further, each application shall contain an analysis demonstrating compliance with § 21.107(a).

(2) The output power of a Digital Electronic Message Service user transmitter shall not exceed 0.04 watts per 250 kHz.

(3) The transmitter power in terms of the watts specified in this section is the peak envelope power of the emission measured at the associated antenna input port.

(4) Operating power shall not exceed the authorized power by more than ten (10) percent of the authorized power in watts at any time.

(b) For stations operating in the 17,700-19,700 MHz band the transmitter output power will be governed by § 21.107 of this rule part. Further, each application shall contain an analysis demonstrating compliance with § 21.107(a).

[48 FR 50331, Nov. 1, 1983]

§ 21.507 Radiated power limitation in the 10,600-10,680 MHz band.

The EIRP of stations in the 10,600-10,680 MHz band must not exceed +40 dBw.

[49 FR 37775, Sept. 26, 1984]

§ 21.508 Emissions and bandwidth.

Different types of emissions may be authorized if the applicant describes fully the modulation and bandwidth desired, and demonstrates that the bandwidth desired is no wider than needed to provide the intended service. In no event, however, shall the necessary or occupied bandwidth exceed the specified channel width of the assigned pair.

§ 21.509 Antennas.

(a) Transmitting antennas may be omnidirectional or directional, consistent with coverage and interference requirements.

(b) The use of horizontal or vertical plane wave polarization, or right hand or left hand rotating elliptical polarization must be used to minimize harmful interference between stations.

(c) Directive antennas shall be used at all Digital Termination User Stations and shall be elevated no higher than necessary to assure adequate service. User antenna heights shall not exceed the height criteria of Part 17 of this chapter, unless authorization for use of a specific maximum antenna height (above ground and above sea level) for each location has been obtained from the Commission prior to the erection of the antenna. Requests for such authorization shall show the inclusive dates of the proposed operation. (*See* Part 17 of this chapter concerning the construction, marking and lighting of antenna structures).

§ 21.510 Interconnection.

(a) All Digital Termination System licensees shall make available to the public all information necessary to allow the manufacture of user equipment that will be compatible with the licensee's network.

(b) All Digital Termination System licensees shall make available to the public all information necessary to allow interconnection of Digital Electronic Message Service networks.

§ 21.511 Spectrum utilization.

All applicants for Digital Termination System frequencies must submit as part of the original application a detailed plan indicating how the bandwidth requested will be utilized. In particular the application must contain detailed descriptions of the modulation method, the channel time sharing method, any error detecting and/or correcting codes, any spatial frequency reuse system and the total data throughput capacity in each of the links in the system. Further, the application must include a separate analysis of the spectral efficiency including both information bits per unit bandwidth and the total bits per unit bandwidth.

§ 21.512 [Reserved]

Subpart H—[Reserved]

Subpart I—Point-to-Point Microwave Radio Service

§ 21.700 Eligibility.

(a) Authorizations for stations in this service will be issued to existing and proposed common carriers. Applications will be granted only in cases in which it is shown that:

(1) The applicant is legally, technically, financially and otherwise qualified to render the proposed service;

(2) There are frequencies available to enable the applicant to render a satisfactory service; and

(3) The public interest, convenience, and necessity would be served by a grant thereof.

(b) If the content is originated, selected, controlled, or otherwise substantively influenced by the applicant, licensee, or a closely affiliated entity, no station or radio frequency in this service will be authorized, or may be utilized, to transmit any closed circuit television signals or television signals other than broadcast television signals, unless:

(1) Such service is otherwise permitted for a specific length of time by grant of an acceptable petition for waiver of this rule; or

(2) Such service is otherwise permitted by a condition in the applicable instrument of authorization; or

(3) Such service is provided pursuant to applicable FCC tariff and is temporary and occasional intra-company television communication for management, network supervision, or other internal carrier functions.

For purposes of this paragraph, an entity will be considered to be "closely affiliated" with an applicant if it is in a parent-subsidiary relationship, or both are commonly controlled, or they have any common officers or management employees.

(c) Applications for stations or frequencies that will be used primarily to relay broadcast television signals must include a demonstration (including appropriate system diagrams and tables) that at least fifty percent of the customers (or points of service) on the microwave system involved, including those served through an interconnecting carrier(s), receiving applicant's service, will not be related or affiliated in any degree with the applicant, and that the proposed usage by such customers, in terms of hours of use and channels delivered, shall constitute at least fifty percent of the usage of the applicant's microwave service. Applications that do not contain these demonstrations will be returned as unacceptable for filing.

[52 FR 37785, Oct. 9, 1987]

§ 21.701 Frequencies.

(a) Frequencies in the following bands are available for assignment to fixed radio stations in the Point-to-Point Microwave Radio Service.

932.5–935 MHz [17]
941.5–944 MHz [17] [18]
2,110–2,130 MHz [1] [3] [7]
2,160–2,180 MHz [1] [2] [3]
3,700–4,200 MHz [5] [6]
10,550–10,565 MHz [14]
10,615–10,630 MHz [14]
10,700–11,700 MHz [8] [9]
13,200–13,250 MHz [4]
17,700–18,820 [5] [10] [15]
18,920–19,160 [5] [10] [15]
19,260–19,700 [5] [10] [15]
21,200–22,000 MHz [4] [11] [12] [13]
22,000–23,600 MHz [4] [11] [12]
27,500–29,500 MHz [5]
31,000–31,300 MHz [16]
38,600–40,000 MHz [4]

[1] Frequencies in this band are shared with control and repeater stations in the Domestic Public Land Mobile Radio Service and with stations in the International Fixed Public Radiocommunication Services located south of 25°30′ north latitude in the State of Florida and U.S. posessions in the Caribbean area. Additionally, the band 2160–2162 MHz is shared with stations in the Multipoint Distribution Service.

[2] Except upon a showing that no alternative frequencies are available, no new assignments will be made in the band 2160–2162 MHz for stations located within fifty (50) miles of the coordinates of the cities listed in § 21,901(c) of this chapter.

[3] Television transmission in this band is not authorized and radio frequency channel widths shall not exceed 3.5 MHz.

[4] Frequencies in this band are shared with fixed and mobile stations licensed in other services.

[5] Frequencies in this band are shared with stations in the fixed-satellite service.

[6] These frequencies are not available for assignment to mobile earth stations.

[7] Frequencies in the band 2110–2120 MHz may be authorized on a case-by-case basis to Government or non-Government space research earth stations for telecommand purposes in connection with deep space research.

[8] This frequency band is shared with station(s) in the Local Television Transmission Service and, in the U.S. Possessions in the Caribbean area, with stations in the International Fixed Public Radiocommunications Services.

[9] The band segments 10.95–11.2 and 11.45–11.7 GHz are shared with space stations (space to earth) in the fixed-satellite service.

[10] This band is co-equally shared with stations in the fixed services under Parts 21, 74, 78 and 94 of the Commission's Rules.

[11] Frequencies in this band are shared with Government stations.

[12] Assignments to common carriers in this band are normally made in the segments 21.2-21.8 GHz and 22.4-23.0 GHz and to operational fixed users in the segments 21.8-22.4 GHz and 23.0-23.6 GHz. Assignments may be made otherwise only upon a showing that no interference free frequencies are available in the appropriate band segments.

[13] Frequencies in this band are shared with stations in the earth exploration satellite service (space to earth).

[14] [Reserved]

[15] Stations licensed as of September 9, 1983 to use frequencies in the 17.7-19.7 GHz band may, upon proper application, continue to be authorized for such operation.

[16] Frequencies in this band are co-equally shared with stations in the Auxiliary Broadcasting (Part 74), Cable Television Relay (Part 78), Private Operational-Fixed Microwave (Part 94) and General Mobile Radio (Part 95) Services.

[17] Frequencies in these bands are shared with Government fixed stations and stations in the Private Operational-Fixed Microwave Service (Part 94).

[18] Frequencies in the 942 to 944 MHz band are also shared with broadcast auxiliary stations (Part 74).

(b) Applications for new stations or frequency paths (except for power splits of existing frequency paths) in the bands 3,700-4,200 MHz and 5,925-6,425 MHz which are to be used to relay television signals to community antenna television systems will not be accepted for filing or granted: *Provided, however,* That waivers of this provision may be granted for good cause shown, including a showing that the proposed frequency usage is not likely to affect adversely the developmnent of any major communications route; and *Provided further,* That such waivers will not be granted, absent a showing of compelling and unusual circumstances, for new stations or frequency paths (except for power splits of existing frequency paths) within fifty (50) miles of the coordinates of the principal city, as set forth in the U.S. Department of Commerce publication "Air Line Distance Between Cities in the United States," of one of the top 25 standard metropolitan statistical areas, as ranked by the U.S. Census Bureau.

(c) *932.5-935 MHz and 941.5-944 MHz.* 200 kHz maximum authorized bandwidth, 9 MHz separation:

(1) 25 kHz bandwidth channels:

Transmit (receive) (MHz)	Receive (transmit) (MHz)
932.5125	941.5125
932.5375	941.5375
932.5625	941.5625
932.5875	941.5875
932.6125	941.6125
932.6375	941.6375
932.6625	941.6625
934.8375	943.8375
934.8625	943.8625
934.8875	943.8875
934.9125	943.9125
934.9375	943.9375
934.9625	943.9625
934.9875	943.9875

(2) 50 kHz channels:

Transmit (receive) (MHz)	Receive (transmit) (MHz)
932.7000	941.7000
932.7500	941.7500
934.8000	943.8000

(3) 100 kHz channels:

Transmit (receive) (MHz)	Receive (transmit) (MHz)
932.8250	941.8250
932.9250	941.9250
933.0250	942.0250
934.5250	943.5250
934.6250	943.6250
934.7250	943.7250

(4) 200 kHz channels:

Transmit (receive) (MHz)	Receive (transmit) (MHz)
933.1750	942.1750
933.3750	942.3750
933.5750	942.5750
933.7750	942.7750
933.9750	942.9750
934.1750	943.1750
934.3750	943.3750

(d) *10,550 to 10,680 MHz.* (1) 2.5 MHz authorized bandwidth channels, 65 MHz separation:

Transmit (receive) (MHz)	Receive (transmit) (MHz)
10551.25	10616.25
10553.75	10618.75
10556.25	10621.25
10558.75	10623.75

(2) 1.25 MHz authorized bandwidth channels, 65 MHz separation:

Transmit (receive) (MHz)	Receive (transmit) (MHz)
10560.625	10625.625
10561.875	10626.875
10563.125	10628.125
10564.375	10629.375

(e) *17,700 to 19,700 MHz.* Applicants may use either a two-way link or one frequency of a frequency pair for a one-way link and shall coordinate proposed operations pursuant to the procedures required in § 21.100(d). (Note, however, that stations authorized as of September 9, 1983 to use frequencies in the band 17.7-19.7 GHz may, upon proper application, continue to be authorized for such operations.)

(1) 2 MHz maximum authorized bandwidth channel:

Transmit (receive) (MHz)	Receive (transmit) (MHz)
18141.0	n/a

(2) 5 MHz maximum authorized bandwidth channels:

Transmit (receive) (MHz)	Receive (transmit) (MHz)
340 MHz Separation	
18762.5	19102.5
18767.5	19107.5

Transmit (receive) (MHz)	Receive (transmit) (MHz)
18772.5	19112.5
18777.5	19117.5
18782.5	19122.5
18787.5	19127.5
18792.5	19132.5
18797.5	19137.5
18802.5	19142.5
18807.5	19147.5
18812.5	19152.5
18817.5	19157.5

(3) 6 MHz maximum authorized bandwidth channels:

Transmit (receive) (MHz)	Receive (transmit) (MHz)
216 MHz Seperation	
18145.0	n/a
18151.0	18367.0
18157.0	18373.0
18163.0	18379.0
18169.0	18385.0
18175.0	18391.0
18181.0	18397.0
18187.0	18403.0
18193.0	18409.0
18199.0	18415.0
18205.0	18421.0
18211.0	18427.0
18217.0	18433.0
18223.0	18439.0
18229.0	18445.0
18235.0	18451.0
18241.0	18457.0
18247.0	18463.0
18253.0	18469.0
18259.0	18475.0
18265.0	18481.0
18271.0	18487.0
18277.0	18493.0
18283.0	18499.0
18289.0	18505.0
18295.0	18511.0
18301.0	18517.0
18307.0	18523.0
18313.0	18529.0
18319.0	18535.0
18325.0	18541.0
18331.0	18547.0
18337.0	18553.0
18343.0	18559.0
18349.0	18565.0
18355.0	18571.0
18361.0	18577.0

(4) 10 MHz maximum authorized bandwidth channels:

Transmit (receive) (MHz)	Receive (transmit) (MHz)
1560 MHz Separation	
17705.0	19265.0
17715.0	19275.0
17725.0	19285.0
17735.0	19295.0
17745.0	19305.0
17755.0	19315.0
17765.0	19325.0
17775.0	19335.0
17785.0	19345.0
17795.0	19355.0
17805.0	19365.0
17815.0	19375.0
17825.0	19385.0
17835.0	19395.0
17845.0	19405.0
17855.0	19415.0
17865.0	19425.0
17875.0	19435.0
17885.0	19445.0
17895.0	19455.0
17905.0	19465.0
17915.0	19475.0
17925.0	19485.0
17935.0	19495.0
17945.0	19505.0
17955.0	19515.0
17965.0	19525.0
17975.0	19535.0
17985.0	19545.0
17995.0	19555.0
18005.0	18565.0
18015.0	19575.0
18025.0	19585.0
18035.0	19595.0
18045.0	19605.0
18055.0	19615.0
18065.0	19625.0
18075.0	19635.0
18085.0	19645.0
18095.0	19655.0
18105.0	19665.0
18115.0	19675.0
18125.0	19685.0
18135.0	19695.0
340 MHz Separation	
18585.0	18925.0
18595.0	18935.0
18605.0	18945.0
18615.0	18955.0
18625.0	18965.0
18635.0	18975.0
18645.0	18985.0
18655.0	18995.0
18665.0	19005.0
18675.0	19015.0
18685.0	19025.0
18695.0	19035.0
18705.0	19045.0
18715.0	19055.0
18725.0	19065.0
18735.0	19075.0
18745.0	19085.0
18755.0	19095.0
18765.0	19105.0
18775.0	19115.0
18785.0	19125.0

Transmit (receive) (MHz)	Receive (transmit) (MHz)
18795.0	19135.0
18805.0	19145.0
18815.0	19155.0

(5) 20 MHz maximum authorized bandwidth channels:

Transmit (receive) (MHz)	Receive (transmit) (MHz)
1560 MHz Separation	
17710.0	19270.0
17730.0	19290.0
17750.0	19310.0
17770.0	19330.0
17790.0	19350.0
17810.0	19370.0
17830.0	19390.0
17850.0	19410.0
17870.0	19430.0
17890.0	19450.0
17910.0	19470.0
17930.0	19490.0
17950.0	19510.0
17970.0	19530.0
17990.0	19550.0
18010.0	19570.0
18030.0	19590.0
18050.0	19610.0
18070.0	19630.0
18090.0	19650.0
18110.0	19670.0
18130.0	19690.0
340 MHz Separation	
18590.0	18930.0
18610.0	18950.0
18630.0	18970.0
18650.0	18990.0
18670.0	19010.0
18690.0	19030.0
18710.0	19050.0
18730.0	19070.0
18750.0	19090.0
18770.0	19110.0
18790.0	19130.0
18810.0	19150.0

(6) 40 MHz maximum authorized bandwidth channels:

Transmit (receive) (MHz)	Receive (transmit) (MHz)
1560 MHz Separation	
17720.0	19280.0
17760.0	19320.0
17800.0	19360.0
17840.0	19400.0
17880.0	19440.0
17920.0	19480.0
17960.0	19520.0
18000.0	19560.0
18040.0	19600.0
18080.0	19640.0
18120.0	19680.0

(7) 80 MHz maximum authorized bandwidth channels:

Transmit (receive) (MHz)	Receive (transmit) (MHz)
1560 MHz Separation	
17740.0	19300.0
17820.0	19380.0
17900.0	19460.0
17980.0	19540.0
18060.0	19620.0

(8) 220 MHz maximum authorized bandwidth channels:

Transmit (receive) (MHz)	Receive (transmit) (MHz)
17810.0	18470.0
18030.0	19370.0
18250.0	19590.0

(f) Assignments in the band 38,600-40,000 MHz shall be according to the following frequency plan:

Channel group A		Channel group B	
Channel No.	Frequency band limits MHz	Channel No.	Frequency band limits MHz
1-A	38,600-38,650	1-B	39,300-39,350
2-A	38,650-38,700	2-B	39,350-39,400
3-A	38,700-38,750	3-B	39,400-39,450
4-A	38,750-38,800	4-B	39,450-39,500
5-A	38,800-38,850	5-B	39,500-39,550
6-A	38,850-38,900	6-B	39,550-39,600
7-A	38,900-38,950	7-B	39,600-39,650
8-A	38,950-39,000	8-B	39,650-39,700
9-A	39,000-39,050	9-B	39,700-39,750
10-A	39,050-39,100	10-B	39,750-39,800
11-A	39,100-39,150	11-B	39,800-39,850
12-A	39,150-39,200	12-B	39,850-39,900
13-A	39,200-39,250	13-B	39,900-39,950
14-A	39,250-39,300	14-B	39,950-40,000

These channels are assigned for use within a rectangular service area to be described in the application by the maximum and minimum latitudes and longitudes. Such service area shall be as small as practicable consistent with the local service requirements of the carrier. These frequency plans may be subdivided as desired by the licensee and used within the service area as desired without further authorization subject to the terms and conditions set forth in § 21.711. These frequencies shall be assigned only where it is shown that the applicant will have a reasonable projected requirement for a multiplicity of service points or transmission paths within the area.

(g) 31.0 to 31.3 GHz. These frequencies are shared on a co-equal basis with other stations in the fixed and mobile services (see Parts 21, 74, 94, and 95). No interference protection is afforded to fixed or mobile stations operating in this band.

(1) 25 MHz authorized bandwidth channels, 150 MHz separation.

Transmit (receive) (MHz)	Receive (transmit) (MHz)
31,012.5	31,162.5
31,037.5	31,187.5
31,062.5	31,212.5
31,087.5	31,237.5
31,112.5	31,262.5
31,137.5	31,287.5

(2) 50 MHz authorized bandwidth channels, 150 MHz separation.

Transmit (receive) (MHz)	Receive (transmit) (MHz)
31,025.0	31,175.0
31,075.0	31,225.0
31,125.0	31,275.0

[44 FR 60534, Oct. 19, 1979, as amended at 46 FR 23453, Apr. 27, 1981; 48 FR 50331, Nov. 1, 1983; 48 FR 50733, Nov. 3, 1983; 49 FR 37775, Sept. 26, 1984; 50 FR 7341, Feb. 22, 1985; 50 FR 41155, Oct. 9, 1985; 54 FR 10328, Mar. 13, 1989; 54 FR 24905, June 12, 1989]

§ 21.702 Transmitter power.

Stations in this service shall not be authorized to use transmitters having a rated power output in excess of the limits set forth in § 21.107(b) and a standby transmitter having a rated power output in excess of that of the main transmitter with which it is associated will not be authorized.

§ 21.703 Bandwidth and emission limitations.

(a) The maximum bandwidth authorized shall not exceed that reasonably necessary to provide the proposed service but in no event shall it exceed the limits set forth below:

Frequency band (MHz)	Maximum authorized bandwidth (MHz)
932.5 to 935	0.
941.5 to 944	0.
2,110 to 2,130	3.
2,160 to 2,180	3.
3,700 to 4,200	20.
5,925 to 6,425	30.
10,550 to 10,680	5.
10,700 to 11,700	40.
13,200 to 13,250	25.
17,700 to 18,580	220.
18,580 to 18,820	20.
18,820 to 18,920	10.
18,920 to 19,160	20.
19,160 to 19,260	10.
19,260 to 19,700	220.
21,200 to 22,000	100.
22,000 to 23,600	100.
27,500 to 29,500	220.
31,000 to 31,300	25.0 or 50.
38,600 to 40,000	50.

(b) The bandwidths authorized on frequencies above 500 MHz shall be appropriate to the type of operation in any particular case. An application requesting such authorization shall fully describe the modulation, emission, and bandwidth desired and shall specify the bandwidth to be occupied.

[44 FR 60534, Oct. 19, 1979; 45 FR 6130 Sept. 16, 1980, as amended at 48 FR 5033 Nov. 1, 1983; 49 FR 37777, Sept. 26, 1984; 5 FR 7341, Feb. 22, 1985; 50 FR 34150, Au 23, 1985; 54 FR 10328, Mar. 13, 1989]

§ 21.704 Modulation requirements.

When amplitude modulation is used the modulation percentage shall be sufficient to provide efficient communication, and shall normally be maintained above 70 percent on peaks but shall not exceed 100 percent on negative peaks.

[52 FR 37785, Oct. 9, 1987]

§ 21.705 Permissible communications.

Stations in this service are authorized to render any kind of communication service provided for in the legally applicable tariffs of the carrier, unless otherwise directed in the applicable instrument of authorization or limited by § 21.701 or § 21.703. In authorizations classed as fixed video, the services permissible are limited to the carriage of video signals and their associated audio signals unless otherwise conditioned.

§ 21.706 Supplementary showing required with applications.

(a) Each application for initial installation of a radio station in this service, or for installation of equipment to provide additional service, or for authority to communicate with new points, shall be accompanied by a statement showing how the proposal will serve the public interest, convenience and necessity. Such statement must include information concerning:

(1) The nature and type of services to be rendered (e.g. telephone/telegraph, private line voice/data, television transmission, etc.)

(2) The cities or communities to be served including the number of circuits to be established. Where multiple cities are to be served, specify by diagram or other appropriate means the circuit cross section between service points.

(3) Projected future circuit growth anticipated between service points and indicate the source of such projections.

(4) Where the construction of radio facilities is dependent upon the specific requirements of one or several customers of a limited class (e.g. those desiring television signals), the need for facilities should be supported by an order for service from each such customer.

(b) Where specific information required by paragraph (a) of this section has been submitted in connection with applications filed under Part 63 of this chapter, duplicate information in support of applications submitted pursuant to this part is not required provided appropriate references are made therein. The information submitted in connection with paragraph (a) of this section shall not be considered to replace any requirement to acquire authority for channelizing pursuant to section 214 of the Communications Act.

(c) All applicants for regular authorization under this subpart shall, before filing an application, amendments to a pending application or modifications to a license, prior coordinate the proposed frequency usage with existing users in the area and other applicants with previously filed applications in accordance with the procedures in § 21.100(d) except that stations authorized under § 21.707 may complete the prior coordination process orally and the period allowed for response to a coordination notification may be less than 30 days if the parties agree.

(d) In those frequency bands shared with the communication-satellite service and applicant for a new station, for new points of communication, for the initial frequency assignment in a shared band for which coordination has not been previously effected, or for authority to modify the emission or radiation characteristics of an existing station in a manner that may increase the likelihood of harmful interference, shall ascertain in advance whether the station(s) involved lie within the great circle coordination distance contours of an existing Earth station or one for which an application has been accepted for filing, and shall coordinate his proposal with each such Earth station operator or applicant. For each potential interference path, the applicant shall perform the computations required to determine that the expected level of interference to or from the terrestrial station does not exceed the maximum permissible interference power level in accordance with the technical standards and requirements of §§ 25.251-25.256 of this chapter. In those instances where the results of these computations indicate a safety margin of less than 5 dB, the applicant shall submit with the application to the Commission, certain additional information; the gains assumed for both the terrestrial and Earth station antennas in the direction of the other station; the calculated transmission loss; and the resulting margin above the controlling objective. The Commission may, in the course of examining any application, require the submission of additional showings, complete with pertinent data and calculations in accordance with Part 25 of this chapter, showing that harmful interference will not likely result from the proposed operation. (Technical characteristics of the Earth stations on file and coordination contour maps for those Earth stations will be kept on file for public inspection in the offices of the Commission's Common Carrier Bureau in Washington, D.C.)

(e) Each applicant filing pursuant to paragraph (c) of this section shall also ascertain in advance whether the beam of his proposed antenna(s) intersects the beam of any Earth station antenna within the rain scatter coordination distance contour of which the terrestrial antenna is located, below the altitude given in table 1 of § 25.254(b) of this chapter for the rain climate in which the Earth station is located. In general such intersections will not be permitted. For the purposes of this paragraph, the beam of an antenna is to be taken as that portion of the antenna radiation pattern inside of which the gain is within 15 dB of the maximum antenna gain. The concepts of rain climate and rain scatter coordination distance contour are as defined in § 25.254 of this chapter. In certain cases, for good cause shown, intersections may be permitted on an individual waiver basis. In such cases, the applicant shall also submit with his application a showing setting forth (1) the nature of the proposed beam intersection, (2) the Earth station operator or applicant with whom coordination was attempted and the results of the coordination, and (3) the technical basis on which it was concluded that harmful interference will not likely result from this beam intersection.

[44 FR 60534, Oct. 19, 1979, as amended at 52 FR 37785, Oct. 9, 1987]

§ 21.707 Stations at temporary fixed locations.

(a) Authorizations may be issued upon proper application for the use of frequencies listed in § 21.701(a) by stations in the Point-to-Point Microwave Radio Service for rendition of temporary service to subscribers under the following conditions:

(1) When a fixed station is to remain at a single location for less than 6 months, the location is considered to be temporary. Services which are initially known to be of longer than 6 months' duration shall not be provided under a temporary fixed authorization but rendered pursuant to a regular license.

(2) When a fixed station, authorized to operate at temporary locations, is to remain at a single location for more than six months, an application (FCC Form 494) for a station authorization designating that single location as the permanent location shall be filed at least 30 days prior to the expiration of the six-month period.

(3) The station shall be used only for rendition of communication service at a remote point where the provision of wire facilities is not practicable.

(4) The antenna structure height employed at any location shall not exceed the criteria set forth in § 17.7 of this chapter unless, in each instance, authorization for use of a specific maximum antenna structure height for each location has been obtained from the Commission prior to erection of the antenna. See § 21.114.

(b) Applications for authorizations to operate stations at temporary locations under the provisions of this section shall be made upon FCC form 494. Blanket applications may be submitted for the required number of transmitters.

[44 FR 60534, Oct. 19, 1979, as amended at 52 FR 37785, Oct. 9, 1987]

§ 21.708 Notification of station operation at temporary fixed locations.

(a) The licensee of stations which are authorized pursuant to the provisions of § 21.707 shall notify the Commission at least 5 days prior to installation of the facilities, stating:

(1) The call sign, manufacturer's name, type or model number, output power and specific location of the transmitter(s).

(2) The maintenance location for the transmitter.

(3) The location of the transmitting or receiving station with which it will communicate and the identity of the correspondent operating such facilities.

(4) The exact frequency or frequencies to be used.

(5) The public interest, convenience and necessity to be served by operation of the proposed installation.

(6) The commencement and anticipated termination dates of operation from each location. In the event the actual termination date differs from the previous notification, written notice thereof promptly shall be given to the Commission.

(7) A notification shall include compliance with the provisions of § 21.706 (c) when operations are to be conducted in the area of other terrestrial microwave stations and with the provisions of § 21.706(c) and (d) when operations are to be conducted within the coordination distance contours of a fixed earth station.

(8) Where the notification contemplates initially a service which is to be rendered for a period longer than 90 days, the notification shall contain a showing as to why application should not be made for regular authorization.

(b) Less than 5 days advance notice may be given when circumstances require shorter notice provided such notice is promptly given and the reasons in support of such shorter notice are stated.

(c) A copy of the notification shall be kept with the station license.

[44 FR 60534, Oct. 19, 1979, as amended at 52 FR 37786, Oct. 9, 1987]

§ 21.709 Renewal of station licenses.

(a) An application for renewal of a station license in the Point-to-Point Microwave Radio Service primarily used to relay television signals shall contain:

(1) A statement that such use complies with § 21.700(b); and

(2) The demonstration required by § 21.700(c). Applications that do not contain these items as appropriate will be returned as unacceptable for filing.

(b) Any application for renewal of license, for a term commencing January 1, 1975, or after, involving facilities utilizing frequency diversity must contain a statement showing compliance with § 21.100(c) or the exceptions recognized in paragraph 141 of the "First Report and Order" in Docket No. 18920 (FCC 71-547). If not in compliance, a complete statement with the reasons therefor shall be submitted.

[44 FR 60534, Oct. 19, 1979, as amended at 52 FR 37786, Oct. 9, 1987]

§ 21.710 Limitations on path lengths and channel loading.

(a) Frequencies in the following bands may not be used on transmission paths shorter than the indicated distances.

Frequency band (MHz)	Minimum path distances (in kilometers)
2,110 to 2,130	5
2,160 to 2,180	5
3,700 to 4,200	17
5,925 to 6,425	17
10,700 to 11,700	5

(b) Exception to the limits in paragraph (a) of this section may be made by the Commission when a showing (with supporting facts) is made that use of a frequency in conformance with the rule would entail excessive cost in construction or maintenance or would otherwise create substantial difficulties. The alternate frequency proposal must be shown to be consistent with good engineering practice under the circumstances. Stricter adherence to these limitations is expected in areas of general frequency congestion. The distance limitation does not apply to a frequency which is power split if one transmission path utilizing that frequency meets the minimum distance requirement.

(c) Except for video transmission, an application for an initial working channel over a given route will not be accepted for filing where the anticipated loading (within five years or other period subject to reasonable projection) is less than the minimum specified for the following frequency bands. Absent extraordinary circumstances, applications proposing additional frequencies over existing routes will not be granted unless it is shown that the traffic load will shortly exhaust the capacity of the existing equipment. For the 3700–4200 MHz band, all persons intending to utilize baseband frequencies above 7.3 MHz, or to operate with more than 1500 equivalent 4 kHz voice channels per radio channel, must submit evidence of coordination pursuant to § 21.100(d). Where no construction of radio facilities is requested, licensees must submit this evidence with their filing of any necessary authority required pursuant to section 214 of the Communications Act and Part 63 of this chapter.

Frequency band (MHz)	Minimum number voice channels (4 kHz or equivalent)	Minimum original data loading (in Mb/s)
3,700 to 4,200	900	10
5,925 to 6,425	900	10
10,700 to 11,700 (20 MHz bandwidth or less)	240	5
10,700 to 11,700 (bandwidth more than 20 MHz)	900	10

Where transmitters employing digital modulation techniques are designed to be used so that two may simultaneously operate on the same frequency over the same path, the minimum number of voice channels specified above is reduced from 900 to 500 per transmitter for the bands 3,700–4,200 MHz, 5,925–6,425 MHz, and 10,700–11,700 MHz.

[44 FR 60534, Oct. 19, 1979, as amended at 48 FR 16493, Apr. 18, 1983]

§ 21.711 Special requirements for operation in the band 38,600–40,000 MHz.

Assigned frequency channels in the band 38,600–40,000 MHz may be subdivided and used anywhere in the authorized service area, subject to the following terms and conditions:

(a) No interference shall be caused to a previously existing station operating in another authorized service area.

(b) Each operating station shall have posted a copy of the service area authorization.

(c) Twice each year, no later than January 31 and July 31, the Commission shall be provided a complete list (in tabular form) of all operations in each authorized service area (listing information as contained in the notices) current as of the previous January 1 or July 1. If no change has occurred since the previous list was filed, a statement to that effect will be sufficient.

(d) The antenna structure height employed at any location shall not exceed the criteria set forth in § 17.7 of this chapter unless, in each instance, authorization for use of a specific maximum antenna structure for each location has been obtained from the Commission prior to the erection of the antenna.

[44 FR 60534, Oct. 19, 1979, as amended at 52 FR 37786, Oct. 9, 1987]

§ 21.713 [Reserved]

Subpart J—Local Television Transmission Service

§ 21.800 Eligibility.

Authorizations for stations in this service will be granted to existing and proposed communication common carriers. Applications will be granted only in cases where it is shown that (a) the applicant is legally, financially, technically and otherwise qualified to render the proposed service, (b) there are frequencies available to enable the applicant to render a satisfactory service, and (c) the public interest, convenience or necessity would be served by a grant thereof.

§ 21.801 Frequencies.

(a) Frequencies in the following bands are available for assignment to television pickup and television nonbroadcast pickup stations in this service:

6,425 to 6,525 MHz.[6]
11,700 to 12,200 MHz.[3]
13,200 to 13,250 MHz.[1]
14,200 to 14,400 MHz.[6]
21,200 to 22,000 MHz.[1, 2, 4, 6]
22,000 to 23,600 MHz.[1, 2, 6]
31,000 to 31,300 MHz.[7]

[1] This frequency band is shared with fixed and mobile stations licensed under Part 21 and other parts of the Commission's Rules.

[2] This frequency band is shared with Government stations

[3] This frequency band is shared, on a secondary basis with stations in the broadcasting-satellite and fixed-satellite services.

[4] This frequency band is shared with stations in the earth exploration satellite service.

[5] Assignments to common carriers in this band are normally made in the segments 21,200–21,800 MHz and 22,400–23,000 MHz and to operational fixed users in the segments 21,800–22,400 MHz and 23,000–23,600 MHz. Assignments may be made otherwise only upon a showing that interference free frequencies are not available in the normally assigned band segments. The maximum power for the local television transmission service in the 14.2–14.4 GHz band is +45 dBW except that operations are not permitted within 1.5 degrees of the geostationary orbit.

[6] This band is co-equally shared with mobile stations licensed pursuant to Parts 74, 78 and 94 of the Commission's rules.

[7] Use of this spectrum for direct delivery of video programs to the general public or multi-channel cable distribution is not permitted.

(b) Communications common carriers in the Local Television Transmission Service may be assigned frequencies listed in §§ 74.602(a), 78.18(a)(7) and 78.18(a)(8) to provide service to television broadcast stations, television broadcast network-entities, cable system operators and cable network-entities. Frequency availability is subject to the provisions of § 74.604 and the use of the facility is limited to the permissible uses described in §§ 74.631 and 78.11. Operations on these frequencies are subject to the technical provisions of Part 74, Subpart F, and Part 78, Subpart D of this chapter.

(c) [Reserved]

(d) Frequencies in the following bands are available for assignment to television STL stations in this service:

3,700 to 4,200 MHz [1, 3]
5,925 to 6,425 MHz [1, 5]
10,700 to 11,700 MHz [1, 6]
13,200 to 13,250 MHz [2]
21,200 to 22,000 MHz [2, 4, 7, 8]
22,000 to 23,600 MHz [2, 4, 8]
131,000 to 31,300 MHz [9]

[1] This frequency band is shared with stations in the Point to Point Microwave Radio Service and, in United States Possessions in the Caribbean area, with stations in the International Fixed Radiocommunications Services.

[2] This frequency band is shared with fixed and mobile stations licensed under Part 21 and other parts of the Commission's rules.

[3] This frequency band is shared with space stations (space to earth) in the fixed-satellite service.

[4] This frequency band is shared with Government stations.

[5] This frequency band is shared with earth stations (earth to space) in the fixed-satellite services.

[6] The band segments 10.95–11.2 and 11.45–11.7 GHz are shared with space stations (space to earth) in the fixed-satellite service.

[7] This frequency band is shared with space stations (space to earth) in the earth exploration satellite service.

[8] Assignments to common carriers in this band are normally made in the segments 21,200–21,800 MHz and 22,400–23,000 MHz and to operational fixed users in the segments 21,800–22,400 MHz and 23,000–23,600 MHz. Assignments may be made otherwise only upon a showing that interference free frequencies are not available in the appropriate band segments.

[9] Frequencies in this band are co-equally shared with stations in the Auxiliary Broadcasting (Part 74), Cable Television Relay (Part 78), Private Operational-Fixed Microwave (Part 94) and General Mobile Radio (Part 95) Services.

(e) *31.0 to 31.3 GHz.* These frequencies are shared on a co-equal basis with other stations in the fixed and mobile services (see Parts 74, 78, 94, and 95). No interference protection is afforded to fixed or mobile stations operating in this band.

(1) 25 MHz authorized bandwidth channels, 150 MHz separation.

Transmit (receive) (MHz)	Receive (transmit) (MHz)
31,012.5	31,162.5
31,037.5	31,187.5
31,062.5	31,212.5
31,087.5	31,237.5
31,112.5	31,262.5
31,137.5	31,287.5

(2) 50 MHz authorized bandwidth channels, 150 MHz separation.

Transmit (receive) (MHz)	Receive (transmit) (MHz)
31,025.0	31,175.0
31,075.0	31,225.0
31,125.0	31,275.0

(f) On the condition that harmful interference will not be caused to services operating in accordance with the Table of Frequency Allocations, persons holding valid station authorizations on July 15, 1963, to provide television nonbroadcast pickup service in the 6525–6575 MHz band may be authorized to continue use of the frequencies specified in their authorization for such operations until July 15, 1968.

(g) *6425 to 6525 MHz—Mobile Only.* Paired and un-paired operations permitted. Use of this spectrum for direct delivery of video programs to the general public or for multi-channel cable distribution is not permitted. This band is co-equally shared with mobile stations licensed pursuant to Parts 74, 78 and 94 of the Commission's Rules. The following channel plans apply.

(1) 1 MHz maximum authorized bandwidth channels.

Transmit (or receive) (MHz)	Receive (or transmit) (MHz)
6425.5	6475.5
6450.5	6500.5

(2) 8 MHz maximum authorized bandwidth channels.

Transmit (or receive) (MHz)	Receive (or transmit) (MHz)
6430.0	6480.0
6438.0	6488.0
6446.0	6596.0
6455.0	6505.0
6463.0	6513.0
6471.0	6521.0

(3) 25 MHz maximum authorized bandwidth channels.

Transmit (or receive) (MHz)	Receive (or transmit) (MHz)
6437.5	6487.5
6462.5	6512.5

(h) The frequency 27.255 MHz in the 27.23-27.28 MHz band is allocated for assignment to microwave auxiliary stations in this service on a shared basis with other radio services. Assignments to stations on this frequency will not be protected from such interference as may be experienced from the emissions of industrial, scientific and medical equipment operating on 27.12 MHz in accordance with § 2.106 of this chapter.

[44 FR 60534, Oct. 19, 1979, as amended at 47 FR 955, Jan. 8, 1982; 50 FR 7341, Feb. 22, 1985; 50 FR 41155, Oct. 9, 1985; 52 FR 7141, Mar. 9, 1987; 54 FR 25460, June 15, 1989]

§ 21.802 Assignment of frequencies to mobile stations.

The assignment of frequencies to mobile stations in this service shall not be limited to a single licensee within any area. However, geographical limits within which mobile units may operate may be imposed by the Commission.

§ 21.803 Transmitter power.

Stations in this service shall not be authorized to use transmitters having a rated power output in excess of the limits set forth in § 21.107(b) and a standby transmitter having a rated power output in excess of that of the main transmitter with which it is associated will not be authorized.

§ 21.804 Bandwidth and emission limitations.

(a) Stations in this service operating on frequencies in the 27.23-27.28 MHz band shall be authorized to employ only amplitude modulated or frequency modulated emission for radiotelephony. The authorization to use such emissions shall be construed to include authority to employ unmodulated emission only for temporary or short periods necessary for equipment testing incident to the construction and maintenance of the station.

(b) Stations in the service operating on frequencies above 940 MHz may be authorized to use amplitude modulated, frequency modulated or pulse type of emission for radiotelephony and television. In addition, the use of unmodulated emission may be authorized in appropriate cases.

(c) The maximum bandwidths which will normally be authorized for single channel operation on frequencies below 500 MHz in this service shall not exceed the limits set forth below:

Type of emission	Authorized bandwidth kHz
A3E	8
F3E or (G3E)	40

(d) Maximum bandwidths in the following frequency bands shall not exceed the limits set forth below:

Frequency band (MHz)	Maximum authorized bandwidth (MHz)
3,700 to 4,200	20
5,925 to 6,425	30
6,425 to 6,525	25
10,700 to 12,200	40
13,200 to 13,250	25
22,000 to 23,600	100

(e) The bandwidths authorized on frequencies above 500 MHz shall be appropriate to the type of operation in any particular case. An application requesting such authorization shall fully describe the modulation, emission, and bandwidth desired and shall specify the bandwidth to be occupied.

[44 FR 60534, Oct. 19, 1979, as amended at 49 FR 48700, Dec. 14, 1984; 52 FR 7141, Mar. 9, 1987]

§ 21.805 Modulation requirements.

(a) The use of modulating frequencies higher than 3000 hertz for single channel radiotelephony or tone signaling on frequencies below 500 MHz is not authorized.

(b) When amplitude modulation is used, the modulation percentage shall be sufficient to provide efficient communication and shall normally be maintained above 70 percent on peaks, but shall not exceed 100 percent on negative peaks.

(c) When phase or frequency modulation is used for single channel radiotelephony on frequencies below 500 MHz, the deviation arising from modulation shall not exceed plus or minus 15 kHz from the unmodulated carrier.

(d) Each unmultiplexed radiotelephone transmitter having more than 3 watts plate power input to the final radio frequency stage and initially installed at the station in this service after September 4, 1956, shall be provided with a device which will automatically prevent modulation in excess of that specified in paragraphs (b) and (c) of this section which may be caused by greater than normal audio level.

§ 21.806 Remote control operation of mobile television pickup stations.

(a) Mobile television pickup stations (including nonbroadcast) may be operated by remote control from the fixed locations for periods not to exceed 6 months.

(b) The Commission may, upon adequate showing by the licensee as to why the television pickup operations should not be conducted under a fixed station authorization, renew the authority granted under the provisions of paragraph (a) of this section.

(c) Reference should be made to § 21.114 concerning mobile station antenna height restrictions and to paragraphs (c) and (f) of § 21.118 concerning control points.

[44 FR 60534, Oct. 19, 1979, as amended at 52 FR 37786, Oct. 9, 1987]

§ 21.807 Stations at temporary fixed locations.

(a) Authorizations may be issued upon proper application for the use of frequencies listed in § 21.801 by stations in the Local Television Transmission Service for rendition of temporary service to subscribers under the following conditions:

(1) When a fixed station is to remain at a single location for less than 6 months, the location is considered to be temporary. Services which are initially known to be of longer than 6 months' duration shall not be provided under a temporary fixed authorization but rendered pursuant to a regular license.

(2) When a fixed station authorized to operate at temporary locations is installed and it subsequently becomes necessary for the station to operate from such location for more than six months, application FCC Form 494 for a station authorization to specify the permanent location shall be filed at least thirty days prior to the expiration of the six month period.

(3) The station shall be used only for rendition of communication service at a remote point where the provision of wire facilities is not practicable.

(4) The antenna structure height employed at any location shall not exceed the criteria set forth in § 17.7 of this chapter unless, in each instance, authorization for use of a specific maximum antenna structure height for each location has been obtained from the Commission prior to erection of the antenna. See § 21.114.

(5) Applications for such stations shall comply with the provisions of § 21.706(c).

(b) Applications for authorizations to operate stations at temporary locations under the provisions of this section may be made upon FCC Form 494. Blanket applications may be submitted for the required number of transmitters.

(c) Prior coordination of mobile assignments will be in accordance with the procedures in § 21.100(d) *except* that the prior coordination process for mobile (temporary fixed) assignments may be completed orally and the period allowed for response to a coordination notification may be less than 30 days if the parties agree.

[44 FR 60534, Oct. 19, 1979, as amended at 52 FR 7141, Mar. 9, 1987; 52 FR 37786, Oct. 9, 1987]

§ 21.808 Notification of station operation at temporary locations.

(a) The licensee of stations authorized pursuant to § 21.807 shall notify the Commission prior to each period of operation. This notification may be oral or written and shall include:

(1) The call sign, manufacturer's name, type or model number, output power and specific location of the transmitter(s).

(2) The maintenance location for the transmitter.

(3) The location of the transmitting or receiving station with which it will communicate and the identity of the correspondent operating such facilities.

(4) The exact frequency or frequencies to be used.

(5) The public interest, convenience and necessity to be served by operation of the proposed installation.

(6) The commencement and anticipated termination dates of operation from each location. In the event the actual termination date differs from the previous notification, written notice thereof promptly shall be given to the Commission.

(7) Where the notification contemplates initially a service which is to be rendered for a period longer than 90 days, the notification shall contain a showing as to why application should not be made for regular authorization.

(8) A notification shall include compliance with the provisions of § 21.807(c).

(b) A copy of the notification shall be kept with the station license.

[44 FR 60534, Oct. 19, 1979, as amended at 52 FR 37786, Oct. 9, 1987]

§ 21.809 Stations affected by coordination contour procedures.

In frequency bands shared with the communication-satellite service, applicants shall also comply with the requirements of § 21.706 (d) and (e).

[44 FR 60534, Oct. 19, 1979, as amended at 52 FR 37786, Oct. 9, 1987]

Subpart K—Multipoint Distribution Service

§ 21.900 Eligibility.

Authorizations for stations in this service will be granted to existing and proposed communications common carriers and non-common carriers. Applications will be granted only in cases where it can be shown that:

(a) The applicant is legally, financially, technically, and otherwise qualified to render the proposed service;

(b) There are frequencies available to enable the applicant to render a satisfactory service; and

(c) The public interest, convenience and necessity would be served by a grant thereof.

The applicant shall submit a statement indicating whether service will be provided on a common carrier or a non-common carrier basis. In addition, a common carrier applicant shall submit a statement indicating whether there is any affiliation or relationship to any intended or likely subscriber or program originator. Any applicant for Multichannel Multipoint Distribution Service desiring a preference in the random selection process, in accordance with the procedures set out in § 1.824, shall so indicate as part of its application.

[52 FR 27556, July 22, 1987]

§ 21.901 Frequencies.

(a) Frequencies in the bands 2150-2162 MHz and 2596-2644 MHz are available for assignment to fixed stations in this service. Frequencies in the band 2150-2160 MHz are shared with non-broadcast omnidirectional radio systems licensed under other parts of the Commission's Rules, and frequencies in the band 2160-2162 MHz are shared with directional radio systems authorized in other common carrier services. Frequencies in the 2596-2644 MHz band are shared with Instructional Television Fixed Service Stations licensed under Part 74 of the Commission's Rules. The response channels E_1, E_2, E_3, E_4, F_1, F_2, F_3, and F_4 listed in § 74.939(d) are also available for assignment to fixed stations in this band and are shared with Instructional Television Fixed Service Stations licensed under Part 74 of the Commission's Rules.

(b) Applicants may be assigned a channel(s) according to one of the following frequency plans:

(1) At 2150-2156 MHz (designated as channel 1),

(2) At 2156-2162 MHz (designated as channel 2), or

(3) At 2156-2160 MHz (designated as channel 2A), or

(4) At 2596-2602 MHz, 2608-2614 MHz, 2620-2626 MHz and 2632-2638 MHz (designated as channels E_1, E_2, E_3 and E_4 respectively with the four channels to be designated the E-group channels) and the associated response channels E_1, E_2, E_3 and E_4 listed in § 74.939(d), or

(5) At 2602-2608 MHz, 2614-2620 MHz, 2626-2632 MHz, and 2638-2644 MHz (designated as channel F_1, F_2, F_3 and F_4 respectively with the four channels to be designated the F-group channels and the response channels F_1, F_2, F_3 and F_4 listed in § 74.939(d).

(c) Channel 2 will be assigned only where there is evidence that no harmful interference will occur to any authorized point-to-point facility in the 2160-2162 MHz band. Channel 2 may be assigned only if the transmitting antenna of the station is to be located within ten (10) miles of the coordinates of the following metropolitan areas:

Principal City	Coordinates
Akron, Ohio	Lat. 41°05'06" N., long. 81°31'06" W.
Albany-Schenectady-Troy, N.Y.	Lat. 42°39'00" N., long. 73°45'24" W.
Anaheim-Santa Ana-Garden Grove, Calif.	Lat. 33°48'30" N., long. 117°54'48" W.
Atlanta, Ga.	Lat. 33°45'00" N., long. 84°23'12" W.
Baltimore, Md	Lat. 39°17'18" N., long. 76°37'00" W.
Birmingham, Ala	Lat. 33°30'42" N., long. 86°48'24" W.
Boston, Mass	Lat. 42°21'42" N., long. 71°03'30" W.
Buffalo, N.Y	Lat. 42°53'12" N., long. 78°52'30" W.
Chicago, Ill	Lat. 41°53'00" N., long. 87°37'30" W.
Cincinnati, Ohio	Lat. 39°06'00" N., long. 84°30'48" W.
Cleveland, Ohio	Lat. 41°29'48" N., long. 81°42'00" W.
Columbus, Ohio	Lat. 39°57'42" N., long. 83°00'06" W.
Dallas, Tex	Lat. 32°46'36" N., long. 96°48'42" W.
Dayton, Ohio	Lat. 39°45'24" N., long. 84°11'42" W.
Denver, Colo	Lat. 39°44'24" N., long. 104°59'18" W.
Detroit, Mich	Lat. 42°20'00" N., long. 83°03'00" W.
Fort Worth, Tex	Lat. 32°45'00" N., long. 97°17'42" W.
Gary, Ind	Lat. 41°36'00" N., long. 87°20'00" W.
Hartford, Conn	Lat. 41°46'00" N., long. 72°40'30" W.
Houston, Tex	Lat. 29°45'48" N., long. 95°21'42" W.
Indianapolis, Ind	Lat. 39°46'12" N., long. 86°09'18" W.
Kansas City, Mo	Lat. 39°06'00" N., long. 94°34'42" W.
Los Angeles-Long Beach, Calif.	Lat. 34°03'18" N., long. 118°15'00" W.
Louisville, Ky	Lat. 38°14'48" N., long. 85°45'42" W.
Memphis, Tenn	Lat. 35°07'30" N., long. 90°03'24" W.
Miami, Fla	Lat. 25°46'30" N., long. 80°11'24" W.
Milwaukee, Wis	Lat. 43°02'18" N., long. 87°54'48" W.
Minneapolis-St. Paul, Minn.	Lat. 44°59'00" N., long. 93°15'48" W.
New Orleans, La	Lat. 29°57'48" N., long. 90°03'48" W.
New York City, N.Y.-Newark-Jersey City-Paterson, N.J.	Lat. 40°42'30" N., long. 74°00'00" W.
Norfolk, Va	Lat. 36°50'42" N., long. 76°17'12" W.
Oklahoma City, Okla	Lat. 35°29'30" N., long. 97°30'12" W.
Philadelphia, Pa	Lat. 39°57'00" N., long. 75°09'48" W.
Phoenix, Ariz	Lat. 33°27'18" N., long. 112°04'24" W.
Pittsburgh, Pa	Lat. 40°26'12" N., long. 80°00'30" W.
Portland, Oreg	Lat. 45°32'06" N., long. 122°37'12" W.
Providence, R.I	Lat. 41°49'00" N., long. 71°24'24" W.
Rochester, N.Y	Lat. 43°09'30" N., long. 77°36'30" W.
Sacramento, Calif	Lat. 38°35'06" N., long. 121°29'24" W.
San Antonio, Tex	Lat. 29°25'24" N., long. 98°29'43" W.
San Bernardino-Riverside, Calif.	Lat. 34°06'30" N., long. 117°18'36" W.
San Diego, Calif	Lat. 32°42'48" N., long. 117°09'12" W.
San Francisco-Oakland, Calif.	Lat. 37°46'30" N., long. 122°25'00" W.
San Jose-Palo Alto-Sunnyvale, Calif.	Lat. 37°22'36" N., long. 122°02'00" W.
Seattle-Everett, Wash	Lat. 47°35'48" N., long. 122°19'48" W.
St. Louis, Mo	Lat. 38°37'00" N., long. 90°11'36" W.
Syracuse, N.Y	Lat. 43°03'06" N., long. 76°09'00" W.
Tampa-St. Petersburg, Fla.	Lat. 27°57'06" N., long. 82°27'00" W.

Principal City	Coordinates
Toledo, Ohio	Lat. 41°38'48" N., long. 83°32'30" W.
Washington, D.C	Lat. 38°53'30" N., long. 77°02'00" W.

(d) Frequencies in the band 2596–2644 MHz and associated response channels will be assigned only in accordance with the following conditions:

(1) Prior to commencing construction of any facilities to use frequencies in this band permittees must submit to the Commission a written statement from all cochannel and adjacent channel Instructional Television Fixed Service Licensees, Permittees or Applicants with transmitters located within 50 miles of the permittee's transmitters that operation of the permittee's transmitter will not cause harmful interference to Instructional Television Fixed Service Operation or that the Instructional Television Fixed Service Licensee, Permittee, or Applicant will accept whatever interference occurs. If the permittee is unable to obtain such a statement from the ITFS Licensee, Permittee, or Applicant it may submit a Petition for Declaratory Ruling pursuant to § 1.2 of this chapter on the issue of whether harmful interference will occur. The Petition must be simultaneously served on the affected ITFS entity. In such cases, the Commission will determine if harmful interference will occur using accepted engineering standards. The MDS permittee must also detail what efforts it made to obtain the desired statement from the ITFS operator.

(2) The E-group channels will be assigned to a single applicant in each area and the F-group channel will be assigned to a different applicant in that area. In such areas, each applicant may submit only a single application for either the E-group channels or the F-group channels but not both. The partners, owners, trustees, beneficiaries, officers, directors or stockholders holding more than one percent of an entity's stock, or any other person or entity holding a similar cognizable interest in the applicant for, or licensee of, one group of channels in any area, shall not have a cognizable interest in the applicant for, or licensee of, either the same group, or the other group of channels in the same area.

(3) All applicants for frequencies in this band must specify the channels being applied for; however, the Commission may on its own initiative assign different channels in the band if it is determined that such action would serve the public interest.

(4) Notwithstanding the provisions of § 21.31 of this part, applications for frequencies in this band will be accepted only on the date(s) specified by the Commission.

(5) Notwithstanding the provisions of § 21.31(a) all applications that propose to locate transmission facilities within or within 15 miles of the border of a Standard Metropolitan Statistical Area (SMSA) will be considered together. In the case of a Standard Consolidated Statistical Area (SCSA) all applications that propose to locate facilities within or within 15 miles of the boundary of any SMSA contained in the SCSA will be considered together. In those cases in which an applicant proposes to locate its transmission facilities so that it will be located in, or within 15 miles of, more than one SMSA, the applicant must specify which SMSA it intends to be its primary service area. Each application will be entitled to comparative consideration or to be included in a lottery in only one such service area.

(6) Licensees or permittees of the frequencies in this band may petition the Commission to authorize exchange of assigned channels to allow adjacent channel operation. For example, one licensee may be assigned channels E_1, F_1, E_2 and F_2 and the other licensee could be assigned channels E_3, F_3, E_4 and F_4. Such a petition will be granted if the petitioners show that the exchange will result in better service to the public.

(7) All applications for frequencies in this band must contain a showing of how interference with the operation of adjacent channels will be avoided and what steps the applicant has taken to comply with § 21.902(a) of this part.

(e) Frequencies in the band segments 18,580–18,820 MHz and 18,920–19,160 MHz are available for assignment to fixed stations in this service for a point-to-point return links from a subscriber's location. Assignments in the 18 GHz band for these return links will be made in accordance with the provisions of Subpart I of Part 21.

[44 FR 60534, Oct. 19, 1979, as amended at 48 FR 33900, July 26, 1983; 49 FR 25479, June 21, 1984; 49 FR 37777, Sept. 26, 1984]

§ 21.902 Frequency interference.

(a) All applicants, permittees, and licensees shall make exceptional efforts to avoid harmful interference to other users and to avoid blocking potential adjacent channel use in the same city and cochannel use in nearby cities. In areas where major cities are in close proximity, careful consideration should be given to minimum power requirements and to the location, height, and radiation pattern of the transmitting antenna. Licensees, permittees and applicants are expected to cooperate fully in attempting to resolve problems of potential interference before bringing the matter to the attention of the Commission.

(b) As a condition for use of frequency in this service, each applicant, permittee and licensee is required to:

(1) Not enter into any lease or contract or otherwise take any action that would unreasonably prohibit location of another station's transmitting antenna at any given site.

(2) Cooperate fully and in good faith to resolve interference and transmission security problems.

(3) Engineer the system to provide at least 45 dB of cochannel interference protection within the protected service areas of all other authorized or previously proposed stations that transmit, or may transmit, signals for standard television reception.

(4) Engineer the station for adjacent channel operation and, if transmissions are to be provided for standard television reception, insure that, whenever possible, the ratio of the signal transmitted to the signal of any authorized, or previously proposed, adjacent channel station is less than 0 dB when measured at the output of a standard antenna located anywhere within the protected service area of the adjacent channel station and oriented to receive the maximum possible adjacent channel signal.

(c) The following interference studies, as appropriate, shall be included with each application:

(1) An analysis of the potential for harmful co-channel interference with any authorized or previously proposed station(s), if: (i) The proposed transmitting antenna has an unobstructed electrical path to any part of the protected service area of any other station(s) that utilize(s), or would utilize, the same frequency; or (ii) if the proposed transmitter is within 50 miles of the coordinates of any such station; or (iii) if the great circle path between the proposed transmitter and the protected service area of any such station is 150 miles or less and 90 percent or more of the path is over water or within 10 miles of the coast or shoreline of the Atlantic Ocean, the Pacific Ocean, the Gulf of Mexico, any of the Great Lakes, or any bay associated with any of the above. (See §§ 21.701(a), 21.901(a) and 74.902 of this chapter);

(2) An analysis of the potential for harmful interference with any authorized or previously proposed station(s), if the proposed transmitting antenna has an unobstructed electrical path to any part of the protected service area of any other station(s) that utilizes, or would utilize, an adjacent channel frequency (see §§ 21.701(a), 21.901(a) and 74.902 of this chapter);

(3) In the case of a proposal to operate a non-colocated station within the protected service area of an authorized, or previously proposed, adjacent channel station, an analysis that identifies the areas within the protected service areas of both the authorized or previously proposed adjacent channel station and the proposed station that cannot be protected as specified in § 21.902(b)(4) and an explanation of why the proposed station cannot be colocated with the existing or previously proposed station.

(4) In the case of a proposal for use of channel 2, an analysis of the potential for harmful interference with any authorized point-to-point station located within fifty (50) miles which utilizes the 2160—2162 MHz band; and

(5) An analysis concerning possible adverse impact upon Mexican and Canadian communications if the station's

transmitting antenna is to be located within 35 miles of the border.

(d) Subject to the limitations contained in (e) of this section each MDS licensee shall be protected from harmful electrical interference as determined by the theoretical calculations within an area described as follows:

(1) For a station using a transmitting antenna with an omnidirectional horizonal plane radiation pattern the boundary of the protected service area will be 15 miles from the transmitter site.

(2) For a station using a transmitting antenna with a non-omnidirectional horizonal plane radiation pattern the boundary of the protected service area will be the locus of all points located at distances from the transmitter as determined by the following equation;

$$D_b = \frac{D_{bmax}}{\text{antilog}\left(\frac{G_{bmax}-G}{20}\right)}$$

in which the parameters are defined as follows:

D_b=the distance from the transmitter site to the boundary in direction of interest;
G=the transmitter antenna gain in the direction of interest;
G_{max}=the maximum antenna gain
D_{bmax}=the distance to boundary, in the direction of maximum gain that will make the total area of the protected service area equal to or less than 710 square miles; all distances are in miles, the gains are in dB relative to an isotropic antenna, and the antilog is taken to the base 10;

(3) Except that when the electrical horizon determined using the transmitting antenna height, a 30 foot receiving antenna height, and assuming 4/3 earth radius propagation conditions, is closer to the transmitter than boundary described in paragraph (d) (1) or (2) of this section, the electrical horizon shall be the boundary of the protected service area.

(e) No MDS licensee will be protected from harmful interference caused by:

(1) Any station with an earlier filing date.

(2) Any station that was authorized before July 1984.

(3) Any multichannel MDS station whose application was pending on September 9, 1983.

(f) In addressing potential harmful interference in this service the following definitions shall be used:

(1) Co-channel interference is defined as the ratio of the desired signal to the undesired signal present in the desired channel, at the output of a reference receiving antenna oriented to receive the maximum desired signal. Harmful interference will be considered present when a free space calculation determines that this ratio is less than 45 dB.

(2) Adjacent interference is defined as the ratio of the desired signal to undesired signal present in an adjacent channel, at the output of a reference receiving antenna oriented to receive the maximum desired signal level. Harmful interference will be considered present when a free space calculation determines that this ratio is less than 0 dB except that in cases between MDS stations and Instructional Television Fixed Service stations constructed before May 26, 1983 the ratio shall be less than 10 dB.

(3) For purposes of this section all interference calculations involving receive antenna performance shall use the reference antenna characteristics shown in figure 1.

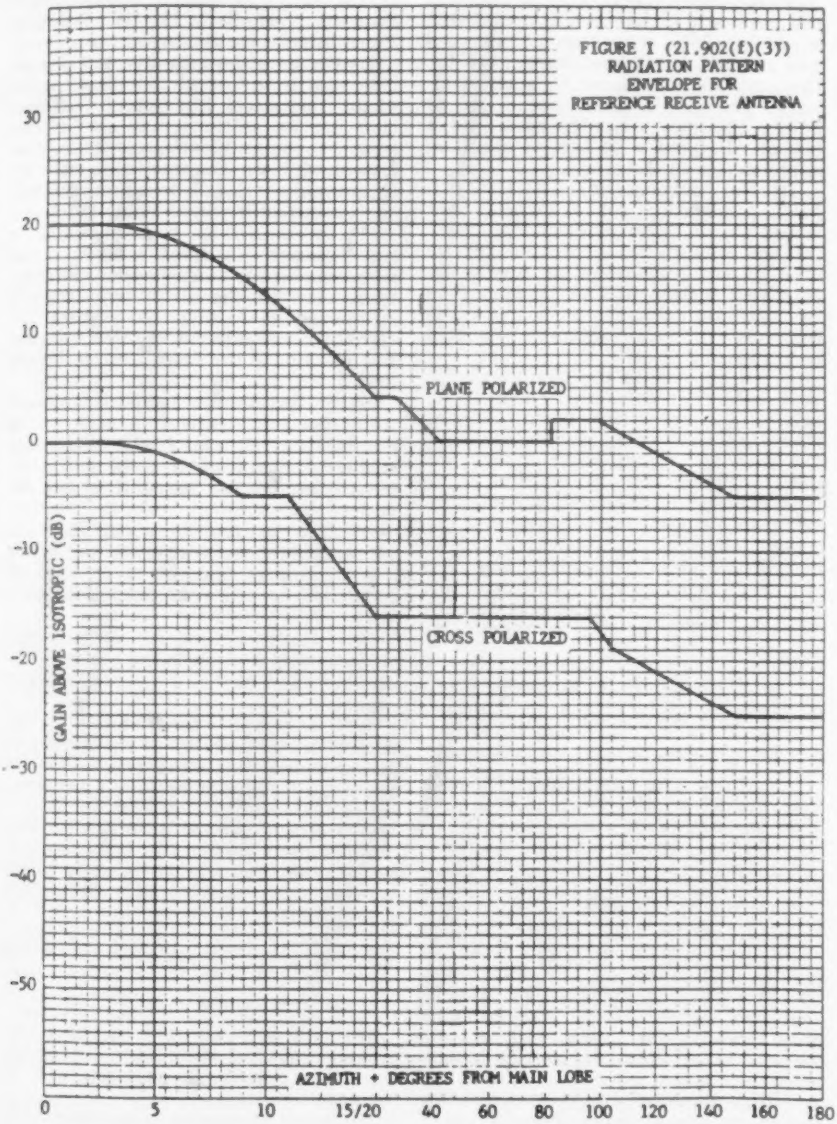

FIGURE I (21.902(f)(3))
RADIATION PATTERN
ENVELOPE FOR
REFERENCE RECEIVE ANTENNA

(g) All interference studies submitted pursuant to paragraph (c) of this section shall be served on all licensees and permittees of, and applicants for the stations considered in such studies. This service shall occur on or before the date of submission and a list of all parties so served shall be submitted with the study.

(h) For purposes of § 21.31(a) an MDS application for a facility that would cause harmful electrical interference within the protected service area of any authorized or previously proposed station will be presumed to be mutually exclusive with the application for such authorized or previously proposed station.

(i) All applicants for frequencies in 2596–2644 MHz band must, prior to receiving a construction permit and at such time as the Commission requests, file with the Commission an analysis demonstrating that the facility to be constructed will not cause harmful interference to existing cochannel or adjacent channel Instructional Television Fixed Service receiver locations within 50 miles of the transmitter, or, in the alternative, submit a statement from the ITFS licensee that the interference is acceptable.

[44 FR 60534, Oct. 19, 1979, as amended at 48 FR 33901, July 26, 1983; 49 FR 25479, June 21, 1984; 52 FR 27556, July 22, 1987]

§ 21.903 Purpose and permissible service.

(a) Multipoint Distribution Service stations are generally intended to provide one-way radio transmission (usually in an omnidirectional pattern) from a stationary transmitter to multiple receiving facilities located at fixed points. When service is provided on a common carrier basis, subscriber supplied information is transmitted to points designated by the subscriber. When service is provided on a non-common carrier basis, transmissions may include information originated by persons other than the licensee, licensee-manipulated information supplied by other persons, or information originated by the licensee. Point-to-point radio return links from a subscriber's location to a MDS operator's facilities may be authorized in the 18,580 through 18,820 MHz and 18,920 through 19,160 MHz bands. Rules governing such operation are contained in Subpart I of Part 21, the Point-to-Point Microwave Radio Service.

(b) Unless otherwise directed or conditioned in the applicable instrument of authorization, Multipoint Distribution Service stations may render any kind of communications service consistent with the Commission's rules on a common carrier or on a non-common carrier basis, *Provided* That:

(1) Unless service is rendered on a non-common carrier basis, the common carrier controls the operation of all receiving facilities (including any equipment necessary to convert the signal to a standard television channel but excluding the television receiver); and

(2) Unless service is rendered on a non-common carrier basis, the common carrier's tariff allows the subscriber the option of owning the receiving equipment (except for the decoder) so long as:

(i) The customer provides the type of equipment as specified in the tariff;

(ii) Such equipment is in suitable condition for the rendition of satisfactory service; and

(iii) Such equipment is installed, maintained, and operated pursuant to the common carrier's instructions and control.

(c) The carrier's tariff shall fully describe the parameters of the service to be provided, including the degree of privacy of communications a subscriber can expect in ordinary service. If the ordinary service does not provide for complete security of transmission, the tariff shall make provision for service with such added protection upon request.

[44 FR 60534, Oct. 19, 1979, as amended at 52 FR 27556, July 22, 1987]

§ 21.904 Transmitter power.

(a) The output power of the transmitter shall not exceed ten (10) watts, except as provided in paragraph (b) of this section.

(b) As an exception to paragraph (a) of this section, additional transmitter output power may be authorized up to one hundred (100) watts if such higher power is justified by a special showing which contains:

(1) A demonstration that the power requested is the minimum needed to provide adequate, reliable service to a reasonable service area with receiving sites utilizing parabolic antennas having a minimum diameter of two feet;

(2) A thorough and positive demonstration that the requested power will not cause harmful interference with any authorized or previously proposed station operating on co-channel or adjacent channel frequencies;

(3) A demonstration of the reasons why the applicant believes that an authorization of increased power is in, and will directly benefit, the public interest.

(c) The transmitter output power specified in this section is the peak envelope power of the visual signal for television transmitters. For other than television transmitters, the transmitter output power is the peak envelope power of the entire emission.

(d) For television transmission where the authorized bandwidth is 4.0 MHz or more for the visual and accompanying aural signal, the peak power of the accompanying aural signal shall not be more than twenty (20) percent nor less than ten (10) percent of the peak power of the visual signal.

(e) Operating power shall not exceed the authorized power by more than ten (10) percent at any time.

[44 FR 60534, Oct. 19, 1979, as amended at 49 FR 48700, Dec. 14, 1984]

§ 21.905 Emissions and bandwidth.

(a) A station transmitting a television signal shall not exceed a bandwidth of 6 MHz (for both visual signal and accompanying aural signal), and will normally employ vestigial sideband, amplitude modulation (C3F) for the visual signal, and frequency modulation (F3E) or (G3E) for the accompanying aural signal.

(b) For purposes other than standard television transmission, different types of emissions may be authorized if the applicant describes fully the modulation and bandwidth desired, and demonstrates that the bandwidth desired is no wider than needed to provide the intended service. However, in no event shall the necessary or occupied bandwidth, whichever is greater, exceed 6 MHz.

§ 21.906 Antennas.

(a) Transmitting antennas shall be omnidirectional, except that a directional antenna with a main beam sufficiently broad to provide adequate service may be used either to avoid possible interference with other users in the frequency band, or to provide coverage more consistent with distribution of potential receiving points. When an applicant proposes to employ a directional antenna, the applicant shall provide the Commission with information regarding the orientation of the directional antenna, expressed in degree of azimuth, with respect to true north.

(b) The use of horizontal or vertical plane wave polarization, or right hand or left hand rotating elliptical polarization may be used to minimize the hazard of harmful interference between systems.

(c) Transmitting antennas located within thirty-five (35) miles of the Canadian border should be directed so as to minimize, to the extent that is practical, emissions toward the border.

(d) Directive receiving antennas shall be used at all points and shall be elevated no higher than necessary to assure adequate service. Receiving antenna height shall not exceed the height criteria of Part 17 of this chapter, unless authorization for use of a specific maximum antenna height (above ground and above mean sea level) for each location has been obtained from the Commission prior to the erection of the antenna. Requests for such authorization shall show the inclusive dates of the proposed operation. (*See* Part 17 of this chapter concerning the construction, marking and lighting of antenna structures.)

[44 FR 60534, Oct. 19, 1979, as amended at 52 FR 37786, Oct. 9, 1987]

§ 21.907 Transmission standards.

(a) A licensee assigned a 6 MHz channel must be able to provide one type of monochrome and color television service which complies with the VHF transmission standards set forth in § 73.682(a) of this chapter, except that the provision of § 21.906(b) shall replace the requirements of § 73.682(a)(14) of this chapter.

(b) A licensee assigned a 4 MHz channel must be able to provide one type of monochrome and/or color television service which complies with VHF transmission standards set forth in § 73.682(a) of this chapter, except that:

(1) The provision of § 21.906(b) shall replace the requirements of § 73.682(a)(14) of this chapter, and

(2) The requirements of § 73.682 (a)(1), (a)(2), (a)(3), (a)(4), (a)(5), (a)(9), (a)(19), and (a)(20) of this chapter shall not apply.

(c) In addition to the standard television transmission service specified in paragraphs (a) and (b) of this section, the licensee may offer a television service not meeting such standards if the tariff or contract clearly describes the type and quality of the service and distinguishes it from the standard service, and if the transmitter is type-accepted for such use.

(d) For services other than television, a licensee may provide transmissions as described in the tariff or contract if the authorized bandwidth is not exceeded and the transmitter is type-accepted for such use.

(e) In order to insure that transmitting information is not likely to be received in intelligible form by unauthorized subscribers or licensees, a licensee may vary the transmission standards specified in paragraphs (a), (b), and (c) of this section, provided that the encoded information is recoverable without perceptible degradation as compared to the same information transmitted in accordance with paragraphs (a), (b), and (c) of this section.

[52 FR 27556, July 22, 1987]

§ 21.908 Television transmitting equipment.

(a) Except as otherwise provided in this section, the requirements of paragraphs (a), (b), (c), (d), and (e) of § 73.687 of this chapter shall apply to stations in this service transmitting standard television signals.

(b) The average power of radio frequency harmonics of the visual and aural carriers, measured at the output terminals of the transmitter, shall be attenuated no less than sixty (60) decibels below the peak visual output power within the assigned channel. All other emissions appearing on frequencies more than fifty (50) percent of the authorized bandwidth above or below the upper and lower edges, respectively, of the assigned channel shall be attenuated no less than: (i) Thirty (30) decibels for transmitters rated at less than ten (10) watts visual peak power output; or (ii) forty (40) decibels for transmitters rated at ten (10) watts or more visual peak power output. However, should interference occur as the result of emissions outside the assigned channel, greater attenuation may be required.

(c) The provisions of § 21.101 shall apply with respect to the frequency tolerance for the visual carrier in lieu of § 73.687(c)(1) except for the frequency of the aural carrier which shall be maintained in accordance with § 73.687(c)(1) of this chapter.

(d) The requirements of § 73.687(c)(2) will be considered to be satisfied insofar as measurements of operating power are concerned if the transmitter is equipped with instruments for determining the combined visual and aural operating power. However, licensees are expected to maintain the operating powers within the limits specified in § 21.904. Measurements of the separate visual and aural operating powers should be made at sufficiently frequent intervals to insure compliance with the rules and in no event less than once a month.

(e) Television transmitting equipment designed for stations whose authorized bandwidth is 4 MHz or less for the visual and accompanying aural signal is subject to the provisions of § 21.101 with respect to the frequency tolerance of the visual and aural carriers in lieu of paragraph (c) of this section. Such equipment is also subject to paragraphs (a) and (b) of this section, except that the provisions of § 73.687(a), (b), and (c)(1) of this chapter shall not apply.

(f) As a further exception to the other requirements of this section, transmitting equipment characteristics may vary from these requirements to the extent necessary to insure that transmitted information is not likely to be received in intelligible form by unauthorized subscribers or licensees, provided such variations permit recovery of the transmitted information without perceptible degradation as compared to the same information transmitted without such variations.

§ 21.909 MDS response stations.

(a) An MDS response station is authorized to provide communication by voice and/or data signals with its associated MDS station. An MDS response station may be operated only by the licensee of the MDS station or its subscriber and only at receiving location of the MDS station with which it is communicating. More than one response station may be operated at the same or different receiving locations. All MDS response stations communicating with a single MDS station shall operate within the same frequency channel. The specified frequency channel which may be used by the response station is determined by the channel assigned to the MDS station with which it communicates. The specified frequency channel may be subdivided to provide a distinct operating frequency for each of more than one response station.

(b) Authorization of an MDS response station is subject to the following terms and conditions:

(1) The response station shall not cause interference to any station operating beyond the service area of the MDS station with which it communicates.

(2) The antenna structure height employed at any location shall not exceed the criteria set forth in § 17.7 of this chapter.

[48 FR 33901, July 26, 1983, as amended at 52 FR 27556, July 22, 1987; 52 FR 37786, Oct. 9, 1987]

§ 21.910 Special procedures for discontinuance, reduction or impairment of service by common carrier MDS licensees.

Any MDS licensee who has elected common carrier status and who seeks to discontinue service on a common carrier basis and instead provide service on a non-common carrier basis or who otherwise intends to reduce or impair service, shall be subject to the following procedures:

(a) The carrier shall notify all affected customers of the planned discontinuance, reduction or impairment. Notice shall be in writing to each affected customer unless the Commission authorizes in advance, for good cause shown, another form of notice. Notice shall include the following:

(1) Name and address of carrier;

(2) Date of planned service discontinuance, reduction or impairment;

(3) Points or geographic areas of service affected;

(4) Whether Single-channel or Multichannel Multipoint Distribution Service is the service affected; and

(5) The following statement:

> The FCC will normally authorize this proposed discontinuance of service (or reduction or impairment) unless it is shown that end-users will be adversely affected thereby. Affected customers wishing to object should file objections within 45 days after receipt of this notification, and address them to the Domestic Radio Branch, Domestic Facilities Division, Federal Communications Commission, Washington, DC 20554, referencing the § 21.910 Application of (carrier's name). Comments should include specific information about the impact of this proposed discontinuance (or reduction or impairment) upon end-users, including any inability by the customer to acquire reasonable substitute service from another provider. The affected customer must state that it has provided a copy of the objection to the carrier seeking discontinuance.

(b) The carrier shall file with this Commission, or or after the date on which notice has been given to all affected customers, an application which shall contain the following:

(1) Caption—"Section 21.910 Application";

(2) Information listed in § 21.901(a)(1) through (4) above;

(3) Brief description of the dates and methods of notice of all affected customers;

(4) A statement of whether any customer has opposed the notice; and

(5) Any other information the Commission may require.

(c) The application to discontinue, reduce or impair service shall be automatically granted on the 76th day after its filing with the Commission without any Commission notification to the applicant unless an objection has been filed or the Commission has notified the applicant that the grant will not be automatically effective.

[52 FR 27557, July 22, 1987]

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ALPHABETICAL INDEX—PART 22

AUTHORITY: 47 U.S.C. 154, 303, unless otherwise noted.

SOURCE: 44 FR 60572, Oct. 19, 1979, unless otherwise noted.

EDITORIAL NOTE: For nomenclature changes affecting this part, see 49 FR 3323, Jan. 26, 1984 and 50 FR 32205, Aug. 9, 1985.

Subpart A—General

§ 22.0 Authority and scope.

(a) The rules in this part are issued pursuant to titles I through III of the Communications Act of 1934, as amended, which vest authority in the Federal Communications Commission to regulate common carriers of interstate and foreign communications and to regulate radio transmission and issue licenses for radio stations.

(b) The purpose of the rules in this part is to prescribe the conditions under which portions of the spectrum are made available for domestic common carrier radio communications which utilize transmitters on land or in specified offshore coastal areas within the continental shelf, and certain other situations as authorized under this part.

(c) The rules in this part apply only to stations authorized under this part. Rules in a subpart apply only to stations authorized under that subpart.

(d) Correspondence relating to this part of the rules may be sent to the Mobile Services Division, Federal Communications Commission, Washington, D.C. 20554.

(e) Unless otherwise specified, the section numbers referenced in this part are contained in Chapter I, Title 47 CFR.

[49 FR 3323, Jan. 26, 1984]

§ 22.1 Other applicable rule parts.

Other Commission rule parts of importance that may be referred to with respect to licensing and operations in radio services governed under this part include the following:

(a) Part 0 of the Commission's Rules describes the Commission's organization and delegations of authority. This part also lists available Commission publications and standards and procedures for access to Commission records, and location of Commission Field Offices.

(b) Part 1 of this chapter includes rules of practice and procedure for adjudicatory proceeding including hearing proceedings, rule making proceedings, procedures for reconsideration and review of the Commission's actions; and provisions for environmental processing requirements.

(c) Part 2 contains the table of frequency allocations and special requirements in international regulations, agreements, and treaties. This part also contains standards and procedures for marketing of radio frequency devices, and for obtaining equipment type acceptance and type approval.

(d) Part 5 contains standards and procedures for obtaining experimental authorizations.

(e) Conditions under which the operations of incidental and restricted radio devices are permitted are in Part 15.

(f) Part 17 contains detailed requirements for constructions, marking, and lighting of antenna towers.

[49 FR 3323, Jan. 26, 1984, as amended at 55 FR 20397, May 16, 1990]

§ 22.2 Definitions.

Airborne station. A mobile station licensed for use only on an aircraft.

Air-ground radiotelephone service. A public radio service between a base station and airborne mobile stations.

Antenna structure. The antenna, its supporting structure, and anything attached to it.

Antenna power input. The radio frequency peak or RMS power, as the case may be, supplied to the antenna from the antenna transmission line and its associated impedance matching network.

Archival quality. The silver halide master microfiche or a copy made on silver halide film (such as Kodak Direct Film).

Assignment. The transfer, by any means, of an authorization from the present holder to another person as defined in section 3(i) of the Communications Act.

Authorized bandwidth. The maximum width of the band of frequencies permitted to be used by a station. This is normally considered to be the necessary or occupied bandwidth, whichever is greater.

Authorized frequency. The frequency assigned to a station by the Commission and specified in the instrument of authorization.

Authorized power. The maximum power a station is permitted to use. This power is specified in the station's authorization.

Auxiliary test station. A fixed station used for test transmissions.

Basic Exchange Telecommunications Radio Service. In the Rural Radio Service this service provides public message communication service between a central office and fixed subscribers located in rural areas. In the Domestic Public Cellular Radio Telecommunications Service, this service provides public message communication service to fixed subscribers in Rural Service areas and in rural parts of Metropolitan Statistical Areas.

Base station. A land station in the public mobile service communicating with authorized mobile and fixed stations.

Cardinal Radials. Those eight radials at 0, 45, 90, 135, 180, 225, 270 and 315 degrees of azimuth with respect to true north.

Carrier frequency. The output of a transmitter when the modulating wave is made zero.

Cell. The are reliably served by a transmitter location in a cellular system.

Cellular Geographic Service Area. The geographic area served by a cellular system within which the licensee is authorized to provide service.

Cellular System. A high capacity land mobile system in which assigned spectrum is divided into discrete channels which are assigned in groups to geographic cells covering a cellular geographic service area. The discrete channels are capable of being reused in different cells within the service area.

Central Office Station. A fixed station used for transmitting communications to rural subscriber stations associated therewith.

Co-channel Electrical Harmful Interference. An undesired electromagnetic signal at the same frequency as a desired signal which reduces the intelligibility of the desired signal to the extent that the ratio of the desired signal to that of the undesired signal is less than R, equation 8, FCC Report R-6406.

Channel occupancy time. The total time a channel is utilized for the transmission of communications, including necessary signaling. It does not include time waiting for a channel to become available.

Communication common carrier. Any person engaged in rendering communication services for hire to the public.

Control Channel. The channel used for transmission of digital control information from the base station to the mobile station or from the mobile station to the base station.

Control point. The location at which the base station is controlled and supervised by the licensee.

Control station. A fixed point-to-point or point-to-multi-point station used to control a remote base station transmitter.

Digital modulation. The process by which some characteristic (frequency, phase, amplitude or combination thereof) of a carrier frequency is varied in accordance with a digital signal, e.g., one consisting of coded pulses or states.

Dispatch communication. Two-way voice communication, normally of not more than one minute's duration, that is transmitted between a dispatcher and one or more land mobile stations, directly through a base station, without passing through the mobile telephone switching facilities.

Dispatch point. See *dispatch station.*

Dispatch station. A fixed station operating on a mobile station frequency and operated by the subscriber to communicate with the subscriber's own mobile station or stations.

Effective radiated power. The product of the antenna power input and the antenna power gain. This product should be expressed in watts. (If specified for a particular direction, effective radiated power is based on the antenna power gain in that direction only.)

Exchange. A unit of a communication company or companies for the administration of communication service in a specified area, which usually embraces a city, town, or village and its environs, and consisting of one or more central offices, together with the associated plant, used in furnishing communication service in that area.

Exchange area. The geographic area included with the boundaries of an exchange.

Fixed station. A station at a fixed location.

Frequency deviation. The maximum deviation from the center of the frequencies emitted due to modulation.

Frequency tolerance. The maximum permissible variation of the carrier frequency expressed as a percentage or in hertz.

Interference contour. The locus of all points having a field strength from the emission of one antenna at one frequency equal to the limit specified in § 22.504(a) minus the value of R, equation 8, FCC Report No. R-6406, "Technical Factors Affecting the Assignment of Facilities in the Public Mobile Services."

Interference free area. That area within the field strength contour, determined in accordance with § 22.504, in which the ratio of desired-to-undesired signal is equal to or greater than R, equation 8, in FCC Report R-6406.

Interoffice station. A fixed station in the rural radio service used for the interconnection of telephone central offices.

Land station. A station in the mobile service not intended for operation while in motion.

Landing area. A landing area means any locality, either of land or water, including airports and intermediate landing fields, which is used, or approved for use for the landing and take off of aircraft, whether or not facilities are provided for the shelter, servicing, or repair of aircraft, or for receiving or discharging passengers or cargo.

License. An authorization granting permission to operate a radio station according to these rules and the terms of the license.

Maps. A representation on a flat surface, of a part or the whole of the earth's surface. All maps submitted under this part shall include latitude, longitude, and scale.

Meteor burst communications. Communications by the propagation of radio signals reflected by ionized meteor trails.

Microwave frequencies. As used in this part, this term refers to frequencies of 890 MHz and above.

Miscellaneous common carriers. See *radio common carrier.*

Mobile service. See *public mobile service.*

Mobile station. A radio-communication station capable of being moved and which ordinarily does move.

Necessary bandwidth of emission. For a given class of emission, the width of the frequency band which is just sufficient to ensure the transmission of information at the rate and with the quality required under specified conditions.

Non-initial cellular applications. Cellular applications not filed in a Commission announced filing window.

Offshore central station. A fixed station in the offshore radio service with facilities for interconnection with the land telephone system.

Offshore mobile station. A radiocommunication station in the offshore radio service capable of being moved and which ordinarily does move.

Offshore radio service. A public mobile radio service for communication with stations in the offshore coastal waters of the Gulf of Mexico.

Offshore subscriber station. A fixed or mobile station in the offshore radio service normally used for communication with an offshore central station.

Pager. A mobile receiver for paging communications, also known as a "beeper."

Paging service. A service provided by a communication common carrier engaged in rendering one-way communication.

Paging service, optical readout. Paging service consisting of communication of a message to a receiver which displays the message on an optical or tactile readout, whether in a permanent form (see Record communication) or a temporary form.

Paging service, tone-only. Paging service designed to activate an aural, visual, or tactile signaling device when received.

Paging service, tone/voice. Paging service in which a tone is transmitted to activate a signaling device and audio circuit in the addressed receiver, following which a voice-grade signal is transmitted, to be amplified by the audio circuitry.

Private line services. A service whereby facilities for communication between two or more designated points are set aside for the exclusive use or availability for use of particular customer and authorized users during stated periods of time.

Protected service area. A fixed 20 mile radius from a 900 MHz paging transmitter which is protected from harmful interference. For other frequency bands *see reliable service area.*

Public land mobile service. A public communication service for hire between land mobile stations wherever located and their associated base stations which are located within the United States or its possessions, or between land mobile stations in the United States and base stations in Canada.

Public Mobile Service. The radio services licensed under this part. These services include the Public Land Mobile, Rural Radio, Air-ground radio telephone, Offshore Radio, and Cellular Radio Telecommunications Services.

Radio Common Carrier (RCC). A common carrier engaged in the provision of Public Mobile Service, which is not also in the business of providing landline local exchange telephone service. These carriers were formally called "miscellaneous common carriers."

Rated power output. Normal radio frequency power output capability (Peak or Average Power) of a transmitter, under optimum adjustment and operation as specified by its manufacturer.

Reference frequency. A frequency coinciding with or having a fixed and specified relation to the assigned frequency. This frequency does not necessarily correspond to any frequency in an emission.

Relay station. A fixed station used for the reception and retransmission of the signals of another station or stations.

Reliable service area. The area specified by the field strength contour as defined by § 22.504 of the Rules and FCC Report R-6406 "Technical Factors Affecting the Assignment of Facilities in the Public Land Mobile Service," within which the reliability of communication service is 90 percent, i.e., the area within which nine out of every ten calls initiated by the base station can be satisfactorily received by the mobile unit. For 900 MHz paging facilities, see *protected service area.*

Repeater station. A fixed station which automatically retransmits the mobile communications and/or transmitter information about the base station, along a fixed point-to-point link between the base station and the control station.

Roamer. A mobile station which communicates with a land station other than one with which it is normally associated.

Rural radio service. A public radio service rendered by fixed stations on frequencies below 1000 MHz used to provide (1) Basic Exchange Telecommunications Radio Service, which is public message communication service between a central office and subscribers located in rural areas, (2) public message communication service between landline central offices and different exchange areas which it is impracticable to interconnect by any other means, or (3) private line telephone, telegraph, or facsimile service between 2 or more points to which it is impracticable to extend service via landline.

Rural service area (RSA). An area not included in either a Metropolitan Statistical Area or a New England County Metropolitan Area for which a common carrier may have a license to provide cellular service. (Also referred to in the Rules as non-MSA or non-NECMA areas.)

Rural subscriber station. A fixed station in the Rural Radio Service used by a subscriber for communication with a central office station

Signaling communication. One-way communications from a base station to a mobile or fixed receiver, or to multipoint mobile or fixed receivers by audible or subaudible means, for the purpose of actuating a signaling device in the receiver(s) or communicating information to the receiver(s), whether or not the information is to be retained in record form.

Special temporary authority (STA). An authorization granting permission to operate a station when circumstances require immediate or temporary operation of a station.

Standby transmitter. A transmitter installed and maintained for use in lieu of the main transmitter only during periods when the main transmitter is out of service for maintenance or repair.

State certification. Official authorization by a State or its public utilities commission for a common carrier to provide service within that State. Certification requirements vary from State to State, and some States require no certification.

Temporary fixed station. A fixed station which is to remain at a single location for less than six months.

Temporary fixed offshore subscriber station. A station in the Offshore Radio Telecommunications Service which operates from various fixed locations for periods not exceeding six months.

Transfer of control. A transfer of a controlling interest in a corporation or partnership which is not an assignment.

Wireline common carrier. Common carriers which are in the business of providing landline local exchange telephone service.

[49 FR 3323, Jan. 26, 1984, as amended at 50 FR 32201, Aug. 9, 1985; 51 FR 26896, July 28, 1986; 52 FR 10572, Apr. 2, 1987; 53 FR 3211, Feb. 4, 1988; 53 FR 18564, May 24, 1988; 53 FR 48910, Dec. 5, 1988; 53 FR 52175, Dec. 27, 1988]

EFFECTIVE DATE NOTE: At 53 FR 48910, Dec. 5, 1988, § 22.2 was amended by adding a new definition for non-initial cellular applications. This amendment contains information collection requirements that will not be effective until approval has been obtained from the Office of Management and Budget. A notice announcing such approval will be published in the FEDERAL REGISTER.

Subpart B—Applications and Licenses

GENERAL FILING REQUIREMENTS

§ 22.3 Authorization required.

No person shall use or operate any device for the transmission of energy or communications by radio in the services authorized by this part except as provided in this part.

[49 FR 3325, Jan. 26, 1984]

§ 22.4 Eligibility.

(a) *General.* Authorizations will be granted upon proper application if:

(1) The applicant is qualified under the applicable laws and the regulations, policies and decisions issued under those laws;

(2) There are frequencies available to provide satisfactory service; and

(3) The public interest, convenience or necessity would be served by a grant.

(b) *Alien ownership.* An authorization may not be granted to or held by:

(1) Any alien or the representative of any alien.

(2) Any corporation organized under the laws of any foreign government.

(3) Any corporation of which any officer or director is an alien or of which more than one-fifth of the capital stock is owned of record or voted by aliens or their representatives or by a foreign government or representative thereof or any corporation organized under the laws of a foreign country.

(4) Any corporation directly or indirectly controlled by any other corporation of which any officer or more than one-fourth of the directors are aliens, or of which more than one-fourth of the capital stock is owned of record or voted by aliens, their representatives,

or by a foreign government or representative thereof, or by any corporation organized under the laws of a foreign country, if the Commission finds that the public interest will be served by the refusal or revocation of such license.

[49 FR 3325, Jan. 26, 1984]

§ 22.5 Formal and informal applications.

(a) Except for an authorization under any of the conditions stated in section 308(a) of the Communications Act of 1934 (47 U.S.C. 308(a)), the Commission may grant only upon written application received by it, the following authorization: Construction permits; station licenses; modifications of construction permits or licenses; renewals of licenses; transfers and assignments of construction permits or station licenses, or any right thereunder.

(b) Except as may be otherwise permitted by this part, a separate written application shall be filed for each instrument of authorization requested. Applications may be:

(1) "Formal applications" where the Commission has prescribed in this Part a standard form; or

(2) "Informal applications" (normally in letter form) where the Commission has not prescribed a standard form.

(c) An informal application will be accepted for filing only if:

(1) A standard form is not prescribed or clearly applicable to the authorization requested;

(2) It is a document submitted, in duplicate, with a caption which indicates clearly the nature of the request, radio service involved, location of the station, and the application file number (if known); and

(3) It contains all the technical details and informational showings required by the rules and states clearly and completely the facts involved and authorization desired.

[44 FR 60572, Oct. 19, 1979, as amended at 49 FR 3325, Jan. 26, 1984]

§ 22.6 Filing of applications, fees, and numbers of copies.

(a) As prescribed by §§ 22.9 and 22.11 of this part, standard formal application forms applicable to the Public Mobile Service may be obtained from either:

(1) Federal Communications Commission, Washington, DC 20554; or

(2) Any of the Commission's field operations offices, the addresses of which are listed in § 0.121.

(b)(1) Applications for radio station authorizations shall be submitted for filing to: Federal Communications Commission, Washington, DC 20554. Applications requiring fees as set forth at Part 1, Subpart G of this chapter must be filed in accordance with § 0.401(b) of the rules.

(2) [Reserved]

(3) Notwithstanding any other rule provision of this part, cellular radio applications may only be filed on the dates specified by the Commission.

(c) All correspondence or amendments concerning a submitted application shall clearly identify the radio service, the name of the applicant, station location, and the Commission file number (if known) or station call sign of the application involved, and may be sent directly to the Common Carrier Bureau.

(d) Except as otherwise specified, all applications, amendments, correspondence, pleadings and forms shall be submitted on microfiche with three microfiche copies, including exhibits and attachments thereto, and shall be signed as prescribed by § 1.743 (see § 22.913 for specific filing requirements for applications for initial cellular, and § 22.923 for specific filing requirements for applications for rural cellular radio communications system authorizations.) Filings of five pages or less are exempt from the requirement to submit on microfiche, as well as emergency filings like letters requesting special temporary authority. Non-cellular and non-initial cellular applicants and those filing any amendments, correspondence, pleadings, and forms must simultaneously submit the original hard copy which must be stamped "original". In addition to the original hard copy, those filing pleadings under Part 22 of the rules shall also submit 2 paper copies as provided in § 1.51 of the rules.

(1) *Microfiche copies.* Each microfiche copy must be a copy of the

best copy available

signed original. Each microfiche copy shall be a 148mm X 105mm negative (clear transparent characters appearing on an opaque background) at 24X to 27X reduction for microfiche or microfiche jackets. One of the microfiche sets must be a silver halide camera master or a copy made on silver halide film such as Kodak Direct Duplicatory Film. The microfiche must be placed in paper microfiche envelopes and submitted in a 5" X 7.5" envelope. All applicants must leave Row "A" (the first row for page images) of the first fiche blank for inhouse identification purposes.

(2) Non-Cellular and Non-Initial Cellular Applications. All non-cellular and non-initial cellular applications must have the following information printed on the mailing envelope, the microfiche envelope, and on the title area at the top of the microfiche:

(i) The name of the applicant;

(ii) The city and state of the application; and

(iii) If the application refers to an existing station, the call sign of the station.

(e) Each application shall be accompanied by the appropriate fee prescribed by, and submitted in accordance with, Subpart G of Part 1 of this chapter.

[44 FR 60572, Oct. 19, 1979, as amended at 49 FR 3326, Jan. 26, 1984; 50 FR 51527, Dec. 18, 1985; 50 FR 53156, Dec. 30, 1985; 52 FR 10230, Mar. 31, 1987; 52 FR 16848, May 6, 1987; 53 FR 48910, Dec. 5, 1988; 54 FR 31032, July 26, 1989; 54 FR 40057, Sept. 29, 1989]

§§ 22.7—22.8 [Reserved]

§ 22.9 Standard application forms and permissive changes or minor modifications for the public mobile service.

(a) *Application for new or modified common carrier radio station under Part 22.* Except for facility changes for which FCC Form 489 is prescribed in paragraph (d), FCC Form 401 ("Application for New or Modified Common Carrier Radio Station Under Part 22") shall be submitted for each station in the following categories of station construction or modification:

(1) Each base station.

(2) Each auxiliary test station, unless the auxiliary test station is located at the same place as the base station, in which case only one combined application need be filed.

(3) Each fixed station.

(b)(1) *Notification of status of facilities (FCC Form 489).* When construction has been completed in accordance with the radio station authorization, the licensee shall so notify the Commission using Form 489. Licensees can commence service the day Form 489 is placed in the mail to the FCC.

(2) *Extensions of time and reinstatement.* When a licensee has not completed construction in accordance with the provisions of § 22.43 of this part, a timely application for extension of time (FCC Form 489) must be filed. Form 489 shall also be used for requests for reinstatements of authorizations if filed within 30 days after the authorization expired (§ 22.44(a)(2)).

(3) If a Form 489 is not filed after completing construction or is filed but is not in accordance with the rules of this part the authorization will automatically expire.

(c) *License for mobile station*—(1) *Land mobile stations.* These stations are considered to be associated with and covered by the authorization issued to the carrier serving the land mobile station. No additional authorization is required.

(2) Airborne Mobile Stations. Applications for a license for airborne mobile stations in the 459.675–459.975 MHz band, submitted by persons who propose to become subscribers to a common carrier service for public correspondence shall be filed on FCC Form 409. This form will also be used for the modification and renewal of such licenses. Such applications shall also be accompanied by the supplemental showing set forth in § 22.15(l)(2).

(d) *Permissive changes or minor modifications of authorization.* The following changes do not require prior Commission authorization but merely notification. A Form 489 must be filed to notify of any permissive change and the licensee may commence service the day Form 489 is postmarked.

(1) Request to delete or change antenna obstruction markings;

(2) Change in points of communications (Rural Radio Service);

(3) Correction of coordinates, provided it is not a major amendment under § 22.23(c);

(4) Construction and operation of additional transmitter locations on the same frequency as allowed under § 22.117(b);

(5) Return of a license to its original specifications if a partial assignment is not timely completed. § 22.39(b)(5)(iii).

(6) Modifications to base station facilities provided there is no increase to the reliable service area contour.

(7) *Cellular Radio Service.* The items listed above, excluding (a)(2) of this section, apply to the cellular radio service. In addition, in the cellular service the following are considered permissive changes:

(i) A change in or addition of a radio frequency.

(ii) A change to or addition of a cell site as long as the composite 39 dBu contours remain totally within the cellular geographic service area.

(Secs. 4, 303, 307, 48 Stat., as amended, 1066, 1082, 1083; (47 U.S.C. 154, 303, 307))

[44 FR 60572, Oct. 19, 1979, as amended at 45 FR 25804, Apr. 16, 1980; 49 FR 3326, Jan. 26, 1984; 50 FR 32201, Aug. 9, 1985; 50 FR 33545, Aug. 20, 1985; 51 FR 39754, Oct. 31, 1986; 52 FR 10572, Apr. 2, 1987; 55 FR 25841, June 25, 1990]

EFFECTIVE DATE NOTE: At 51 FR 39754, Oct. 31, 1986, § 22.9(c)(2) was amended. This amendment contains information collection requirements that will not be effective until approval has been obtained from the Office of Management and Budget. A notice announcing such approval will be published in the FEDERAL REGISTER.

§ 22.10 [Reserved]

§ 22.11 Miscellaneous forms shared by all domestic public radio services.

(a) *Licensee qualifications.* FCC Form 430 ("Common Carrier and Satellite Radio Licensee Qualifications Report") shall be filed by Mobile Service licensees only as required by Form 490 (Application for Assignment or Transfer of Control Under Part 22.

(b) *Renewal of station license.* Except for renewal of special temporary authorizations, FCC Form 405 ("Application for Renewal of Station License") must be filed in duplicate by the licensee between thirty (30) and sixty (60) days prior to the expiration date of the license sought to be renewed. Whenever a group of station licenses in the same radio service are to be renewed simultaneously, a single "blanket" application may be filed to cover the entire group, if the application identifies each station by call sign and station location and if two copies are provided for each station affected. Applicants should note also any special renewal requirements under the rules for each radio service.

[44 FR 60572, Oct. 19, 1979, as amended at 48 FR 57291, Dec. 29, 1983; 49 FR 3326, Jan. 26, 1984; 53 FR 48910, Dec. 5, 1988]

EFFECTIVE DATE NOTE: At 53 FR 48910, Dec. 5, 1988, § 22.11 was amended by revising paragraph (a). This amendment contains information collection requirements that will not be effective until approval has been obtained from the Office of Management and Budget. A notice announcing such approval will be published in the FEDERAL REGISTER.

§ 22.12 [Reserved]

§ 22.13 General application requirements.

(a) Each application for a radio station authorization or for consent to assignment or transfer of control shall:

(1) Disclose fully the real party or parties in interest, that are engaged in the Public Mobile Services, including the following information:

(i) A list of its subsidiaries, if any. Subsidiary means any business five per cent or more whose stock, warrants, options or debt securities are owned by the applicant or an officer, director, stockholder or key management personnel of the applicant. This list must include a description of each subsidiary's principal business and a description of each subsidiary's relationship to the applicant.

(ii) A list of its affiliates, if any. Affiliates means any business which holds a five per cent or more interest in the applicant, or any business in which a five per cent or more interest is held by another company which holds a five per cent interest in the applicant (e.g. Company A owns 5% of Company B and 5% of Company C; Companies B and C are affiliates).

(iii) A list of the names, addresses, citizenship and principal business of any person holding five per cent or more of each class of stock, warrants, options or debt securities together with the amount and percentage held, and the name, address, citizenship and principal place of business of any person on whose account, if other than the holder, such interest is held. If any of these persons are related by blood or marriage, include such relationship in the statement.

(2) Demonstrate the applicant's qualifications to hold an authorization.

(3) Submit the information required by the Commission's rules, requests, and application forms;

(4) State specifically the reasons why a grant of the proposal would serve the public interest, convenience, and necessity;

(5) Be maintained by the applicant substantially accurate and complete in all significant respects in accordance with the provisions of § 1.65 of this chapter; and

(6) Show compliance with the special requirements applicable to each radio service and make all special showings that may be applicable.

(b) Where documents, exhibits, or other lengthy showings already on file with the Commission contain information which is required by an application form, the application may specifically refer to such information, if:

(1) The information previously filed is over one 8½" by 11" page in length, and all information referenced therein is current and accurate in all significant respects under § 1.65 of this chapter; and

(2) The reference states specifically where the previously filed information can actually be found, including mention of:

(i) The radio service and station call sign or application file number whenever the reference is to stations files or previously filed applications;

(ii) The title of the proceeding, the docket number, and any legal citations, whenever the reference is to a docketed proceeding.

However, questions on an application form which call for specific technical data, or which can be answered by a "yes" or "no" or other short answer shall be answered as appropriate and shall not be cross-referenced to a previous filing.

(c) In addition to the general application requirements of §§ 22.13 and 22.15 of this part, applicants shall submit any additional documents, exhibits, or signed written statements of fact:

(1) As may be required by these rules; and

(2) As the Commission, at any time after the filing of an application and during the term of any authorization, may require from any applicant, permittee, or licensee to enable it to determine whether a radio authorization should be granted, denied, or revoked.

(d) Except when the Commission has declared explicitly to the contrary, an informational requirement does not in itself imply the processing treatment of decisional weight to be accorded the response.

(e) All applicants are required to indicate at the time their application is filed whether or not a Commission grant of the application may have a significant environmental impact as defined by § 1.1307 of the Commission's rules. If answered affirmatively, the requisite environmental assessment as prescribed in § 1.1311 of this chapter must be filed with the application and Commission environmental review must be completed prior to construction. See § 1.1312 of this chapter.

(f) *State certification*—(1) *General rule.* Licensees are required to comply with all applicable state certification requirements. Applicants may, but are not required to include evidence of state certification when filing FCC Form 401 or 489. The licensee under this part must complete construction in accordance with § 22.43 of the rules. A licensee must have all requisite state authority and be in operation within a year of the license grant or the license will automatically expire and must be submitted for cancellation.

(2) Denial of state certification. A pending application will be returned as unacceptable for filing where the applicant is denied state certification necessary to construct and/or operate the proposed facilities, and the state appeal process has been exhausted. Such applications will not be retained on file while the applicant pursues

subsequent state applications. Where an applicant has been denied the necessary state certification and has exhausted the state appeal process, the applicant shall not resubmit its application to the Commission until after obtaining state certification.

(3) Applicant's duty to inform. The application shall include in Form 401 information regarding any adverse action which has been taken regarding the state certification application. The applicant shall promptly and fully advise the Commission of any adverse action regarding state certification taken while the application is pending.

[44 FR 60572, Oct. 19, 1979, as amended at 45 FR 63492, Sept. 25, 1980; 49 FR 3326, Jan. 26, 1984; 52 FR 20087, May 29, 1987; 55 FR 20397, May 16, 1990]

§ 22.14 [Reserved]

§ 22.15 Technical content of applications.

(a) All applications required by this part shall contain all technical information required by the application form and any additional information necessary to fully describe the proposed construction and to demonstrate compliance with all technical requirements of the rules governing the radio service involved (see Subparts C, F, G, H, I, J and K as appropriate). The following paragraphs describe a number of general technical requirements.

(1) Applications for fixed stations shall list the proposed antenna site. The applicant shall have obtained reasonable assurance that it can use the site.

(i) Applicants in the 800 MHz Air-Ground Radiotelephone Service shall list the city and state of the proposed ground stations.

(b) Each public land mobile service application for a radio station authorization for a new base station or a major modification to an existing base station shall make the following showings:

(1) *Co-channel facilities.* The application must explicitly state whether there are any co-channel facilities (whether existing or proposed by applications pending for more than 60 days from their public notice dates) within the following mileage separation standards:

(i) One-way facilities from 35 to 162 MHz—within 67 miles.

(ii) Two-way facilities:

(A) From 152 to 162 MHz—within 84 miles.

(B) From 450 to 460 MHz—within 67 miles.

(iii) Co-channel facilities within 125 miles when the bearing to the co-channel facility is within 22.5 degrees of a cardinal radial, where the effective radiated power exceeds the limits indicated in § 22.505 for the center of radiation height above average elevation in that radial direction.

(2) *Interference studies.* (i) The application shall contain interference studies demonstrating that the proposed facilities will not cause harmful electrical interference to those co-channel facilities (existing or proposed) identified in response to paragraph (b)(1) of this section: *Provided, however,* That interference studies are not required for stations which mee the minimum distance requirements established in § 22.502 and § 22.503. A notation must be made for each station meeting these requirements. The interference studies must use procedures consistent with § 22.504 and FCC Report No. R-6406, "Technical Factors Affecting the Assignment of Facilities in the Domestic Public Land Mobile Radio Service," by Roger B. Carey.

(ii) For each pair of base stations studied, the following data shall be provided:

(A) The name of the applicant or licensee.

(B) The geographic name of the location of the transmitter.

(C) The geographic coordinates.

(D) The call sign (if granted previously).

(E) The file number, if pending.

(F) The distance between the proposed station and the co-channel station.

(G) The radial bearing from the proposed station to the co-channel station.

(H) The radial bearing from the co-channel station to the proposed station.

(iii) The following figures shall be given relative to the interstation radial:

(A) The distance from the proposed station to its reliable service area contour (RSAC).

(B) The distance from the co-channel station to its RSAC.

(C) The distance from the proposed station to the RSAC of the proposed station.

(D) The distance from the co-channel station to the RSAC of the proposed station.

(E) For the point of intersection of the interstation radial and each RSAC:

(*1*) "R" (equation 8, Carey Report).

(*2*) Field strength of the undesired signal, in dBu.

(*3*) Ratio of (2) and the field strength of the protected contour in § 22.504 of the rules.

(F) Any additional data that the applicant feels is necessary or desirable may be included.

(iv) All supporting data and calculations shall be retained by the applicant and furnished to the Commission upon request. The interference studies shall be conducted within 60 days prior to the filing of the application.

(c) *Antenna height*—(1) *Sketch.* Every application for a new antenna, an antenna increased in height, a new antenna structure, or an antenna structure increased in height shall include a vertical profile sketch.

(i) The sketch shall include the overall structure height including appurtenances, height of the tip of the proposed antenna, ground elevation and the height of any supporting building. Heights shall be elevation above mean sea level (AMSL), and above ground level (AGL).

(2) *FAA notification.* Every application for a new antenna structure or for an increase in antenna structure height shall state whether FAA notification is required. If notification is required, a copy of the FAA determination shall be included; if it is not available, the appalicant shall state the name filed under, the date of filing and the location of the FAA office.

(d)-(h) [Reserved]

(i) In the Public Land Mobile Service each application shall contain, as appropriate, the following information:

(1) [Reserved]

(2) All applications for new or additional facilities will identify any other pending or concurrently filed applications in this service for new or additional facilities within a 40 mile radius of the proposed station that appplicant, or any principal thereof, may be a party to or have an interest in, either directly or indirectly. All applications shall also identify all existing facilities within a 40 mile radius of the proposed station licensed to the applicant or in which the applicant has an ownership interest, regardless of call sign or licensee name.

(3) An application for one or more airborne units shall include an affirmative representation that the applicant has made definite arrangements with a wireline common carrier for service and billing.

(j) Each application for a station authorization for a base station in the Public Land Mobile Service which proposes to establish a new communication facility or make changes in the area of coverage of a station already authorized shall be accompanied by technical engineering information with respect to:

(1) Type of antenna polarization used.

(2) Type of antenna used, including type number and manufacturer thereof.

(3) Antenna power gain expressed in decibels.

(4) For directional antenna the antenna radiation pattern (on letter size polar coordinate paper) showing the antenna power gain distribution in the horizontal plane expressed in decibels. If the antenna is side mounted near a structure and the radiation pattern is in any way affected by the mounting structure, engineering drawings showing the size and shape of the structue, antenna mounting configurations with reference to the structure, orientation of antenna and mounting structure relative to true north.

(5) Orientation of directional antenna array, expressed in degrees of azimuth, with respect to true north.

(6) Antenna height above average terrain for each of the eight radials specified in § 22.115.

(7) Antenna transmission line type, length and radio frequency power

transmission losses, together with a description and power loss of all other devices in addition to the transmission line, between the output of the transmitter and the antenna radiating system expressed in decibels.

(8) Topographic maps showing:

(i) Exact station location; and

(ii) Location of radials used in determining elevation of average terrain, and

(iii) Lines of latitude and longitude, and a scale.

(iv) Drawn on a U.S. Geological Survey topographical map with a scale of 1:24,000 (7½ minute map)

(v) These maps as well as the profile graphs under § 22.115(b) will *not* be filed with the application but instead shall be retained as part of the applicant's records and shall be made available to the Commission's staff upon request. These maps shall also be promptly furnished to members of the public at reasonable reproduction costs. In the event there is a transfer or assignment of a license these maps as well as the profile graphs will become part of the tranferee or assignee station records. If the method of § 22.115(c)(2) (Computer generated data bases) is used this section will not apply.

(vi) *900 MHz one-way paging.* Exact station location should be plotted on a map with a scale of 1:250,000 and the protected service area should be depicted by a 20 mile radius for each base station.

(9) Effective radiated power for all eight radials specified in paragraph (j)(8)(ii) of this section.

(10) For 900 MHz one-way applications, the profile graphs referred to in § 22.115 are not required.

(k) The location of the transmitting antenna shall be considered to be the station location. Applications for stations at specified fixed locations shall describe the transmitting antenna site by its geographical coordinates and also by conventional reference to street number, landmark, or the equivalent. All such coordinates shall be specified in terms of degrees, minutes, and seconds to the nearest second of latitude and longitude.

(l) Each application for radio station authorization for an offshore central station or a fixed subscriber station in the Offshore Radio Telecommunications Service which proposes a new station or changes in the frequency, operating power or antenna height of a station already authorized shall be accompanied by technical engineering information with respect to:

(1) Type of antenna polarization used.

(2) Type of antenna used, including type number and manufacturer thereof.

(3) Antenna power gain expressed in decibels.

(4) Antenna radiation pattern (on letter size polar coordinate paper) showing the antenna power gain distribution in the horizontal plane expressed in decibels.

(5) Orientation of directional antenna array, expressed in degrees of azimuth with respect to True North.

(6) Antenna height above mean sea level.

(7) Antenna transmission line type, length and radio frequency power transmission losses, together with a description and power loss of all other devices in addition to the transmission line, between the output of the transmitter and the antenna radiating system expressed in decibels.

(8) Suitable maps or charts showing thereon the exact station location.

(9) Effective radiated power.

(m) In the Domestic Public Cellular Radio Telecommunications Service each application shall contain the information described in § 22.913.

(n) In the 800 MHz Air-Ground Radiotelephone Service each application shall contain the information required in Subpart M of this part.

(Secs. 2, 3, 4, 5, 301, 303, 307, 308, 309, 315, 317, 48 Stat., as amended; 1064, 1065, 1066, 1068, 1081, 1082, 1083, 1084, 1085, 1088, 1089; 47 U.S.C. 152, 153, 154, 155, 301, 303, 307, 308, 309, 315, 317)

[44 FR 60572, Oct. 19, 1979, as amended at 46 FR 27673, May 21, 1981; 49 FR 3326, Jan. 26, 1984; 50 FR 32202, Aug. 9, 1985; 51 FR 39754, Oct. 31, 1986; 52 FR 10572, Apr. 2, 1987; 55 FR 25842, June 25, 1990]

§ 22.16 Objective need standards.

(a) Applications for additional channels on an existing two-way system, up to a maximum of four channels, will be granted as follows:

(1) If the application shows that the existing system's present grade of service is 0.25 or greater or that the existing grade of service is 0.20 or greater with a projected grade of service of 0.25 or greater, the minimum number of channels necessary to reduce that level below 0.25 will be granted.

(2) Procedures to determine grade of service:

(i) If the existing system serves both one-way signaling (paging) units and two-way units, separate § 22.516 occupied time data shall be submitted for each, for the same days and hours. Data for tone-only paging units need not be separated from data for tone-voice or tone-optical readout paging units unless the applicant anticipates that the ratio among tone-only, tone-voice and tone-optical readout paging units in the proposed system will be significantly different from the ratio in the existing system. Absent such a situation, it will be presumed that the ratios of the types of units in the existing and proposed systems will be approximately the same.

(ii) For each § 22.516 submission, the bouncing busy-hour occupied time of a system shown by the § 22.516 study shall be divided by the number of units in the system to derive a basic reckoning factor for projecting traffic in a proposed system. This reckoning factor shall be in minutes per unit (MPU), *i.e.*, the time a system is on the air during the busy hour divided by the number of units presently authorized to use that system.

(iii) A unit shall be considered as generating traffic in a proposed system if it falls into one of three categories,

(A) Present subscriber units,

(B) Subscriber units for which there are written held orders, and

(C) Subscriber units projected through the use of a valid statistical survey. Applicants shall obtain a number of written held orders for service from a sample of respondents and then project that need onto a larger universe, using generally accepted survey techniques.

(iv) The number of units included in paragraphs (a)(2)(iii) (B) and (C) of this section shall be discounted by 20%.

(v) The MPU shall be multiplied by the total of the units included in paragraph (a)(2)(iii) of this section, as discounted, and divided by 60 to estimate, in Erlangs, the expected traffic in the proposed system.

(vi) If the existing system does not provide service to the same type of units as the proposed system, it will not be feasible to determine the estimated MPU for all types of units from loading measurements. In these situations,

(A) The number of units in the proposed system which are of the same type as in the existing system shall be multiplied by the MPU derived from loading measurements in the existing system; and

(B) The number of units in the proposed system which are not of the same type as in the existing system shall be multiplied by presumed MPU's shown in paragraph (b)(3) of this section.

(C) If there are units of each category in the proposed system, the calculated occupied times found for each by this method shall be added to show the total occupied time.

(vii) Referring to the Erlang C Table, the expected grade of service level shall be calculated for each proposed system. A determination of the number of channels authorized will be based on the grade of service so calculated.

(b) Applications for more than one channel on a new two-way system, up to maximum of four channels, will be granted as follows:

(1) The minimum number of channels necessary for the expected grade of service level to be less than 0.25 will be granted.

(2) If the proposed service area and type of service are not substantially the same as those existing, the channels requested will be treated as new rather than as additional channels. Applications are considered to be requesting initial channels if less than 50% of the proposed reliable service area contour overlaps an existing contour, or if the proposed service area

contour includes a major market area not included within the existing contour.

(3) Procedures to determine expected grade of service:

(i) Applicants shall submit data on the number of units expected to receive service. Units shall be considered only if the applicant has written held orders for them or if they are projected from a valid statistical survey. The units shall be broken down by two-way, tone-only paging, tone-voice paging and tone-optical readout paging.

(ii) Each two-way unit identified in paragraph (i) of this section will be presumed to generate 0.9 MPU of traffic.

(iii) Each tone-only paging unit will be presumed to generate 0.0417 MPU of traffic. This is based on the assumption that each unit will generate 0.5 five-second calls during the busy hour. If the applicant intends to provide tone-only paging on a subaudible basis only, the application should so state.

(iv) Each tone-voice paging unit will be presumed to generate 0.167 MPU of traffic. This is based on the assumption that each unit will generate 0.5 twenty-second calls during the busy hour.

(v) Each tone-digital readout paging unit will be presumed to generate 0.0033 MPU of traffic. This is based on the assumption that each unit will generate 0.5 four-tenths-second calls during the busy hour. (Note: This figure is based on limited usage and is subject to later reexamination.)

(vi) The traffic expected to be generated in the system shall be calculated, in Erlangs, by summing the MPU's discussed in paragraphs (b)(3) (ii), (iii), (iv) and (v) of this section, discounting the sum by 20% and then dividing by 60.

(vii) Referring to the Erlang C Table, the expected grade of service levels shall be calculated for each proposed system. A determination of the number of channels authorized will be based on the grade of service so calculated.

(c) Applications for a single additional one-way channel filed by January 1, 1986 will be granted if the § 22.516 data submitted with the application shows that the channel occupancy time, as defined by § 22.2 of the rules, of each channel in the applicant's existing system is thirty minutes or more during the bouncing busy hour.

(1) Applications for a single additional one-way channel shall not be subject to the requirements of § 22.516(b)(2)(ii).

(2) Applications for a single additional one-way channel filed after January 1, 1986, will be acted on without reference to the loading on the applicant's existing system.

(d) Applications which do not satisfy these standards will be dismissed and returned as unacceptable for filing pursuant to § 22.20. However, the requirements of § 22.16 do not apply to applications in the 800 MHz Air-Ground Radiotelephone Service.

(e) An application for an additional location on the same frequency as an authorized station will be considered as a "fill-in", and no loading study will be needed, if the reliable service area contour of the proposed transmitter is at least 50% encompassed by the reliable service area contour of another non "fill-in" transmitter(s) on the same frequency. Applicants relying on this subsection must provide the following statement in their application:

> I hereby certify that this application for a "fill-in" transmitter, filed pursuant to § 22.16(e), relies solely on the reliable service area contour(s) of non-"fill-in" transmitter(s) as the basis for the 50% service area overlap requirement of § 22.16(e).

[48 FR 8078, Feb. 25, 1983, as amended at 49 FR 29385, July 20, 1984; 50 FR 32202, Aug. 9, 1985; 54 FR 11536, Mar. 21, 1989; 55 FR 25842, June 25, 1990]

§§ 22.17—22.18 [Reserved]

§ 22.19 Waiver of rules.

(a) *Request for waivers.* (1) Waivers of these rules may be granted upon application or by the Commission on its own motion. Requests for waivers shall contain a statement of reasons sufficient to justify a waiver. Waivers will not be granted except upon an affirmative showing.

(i) That the underlying purpose of the rule will not be served, or would be frustrated, by its application in a particular case, and that grant of the waiver is otherwise in the public interest; or

(ii) That the unique facts and circumstances of a particular case render application of the rule inequitable, unduly burdensome or otherwise contrary to the public interest. Applicants must also show the lack of a reasonable alternative.

(2) If the information necessary to support a waiver request is already on file, the applicant may cross-reference to the specific filing where it may be found.

(b) *Denial of waiver, alternate showing required.* If a waiver is not granted, the application will be dismissed as defective unless the applicant has also provided an alternative proposal which complies with the Commission's rules (including any required showings).

[49 FR 3328, Jan. 26, 1984]

§ 22.20 Defective applications.

(a) Unless the Commission shall otherwise permit, an application will be unacceptable for filing and will be returned to the applicant with a brief statement as to the omissions or discrepancies if:

(1) The application is defective with respect to completeness of answers to questions, informational showings, execution, or other matters of a formal character; or

(2) The application does not comply with the Commission's rules, regulations, specific requirements for additional information or other requirements.

(b) Some examples of common deficiencies which result in defective applications under paragraph (a) of this section are:

(1) The application is not filled out completely and signed (responses intended to be omitted must include the notation "not applicable" or "N/A");

(2) The application does not demonstrate how the proposed radio facilities will serve the public need or interest;

(3) The application does not demonstrate compliance with the special requirements applicable to the radio service involved;

(4) [Reserved]

(5) The application does not include an environmental assessment as required for an action that may have a significant impact upon the environment, as defined in § 1.1307 of this chapter.

(6) [Reserved]

(7) The application is filed after the cutoff date prescribed in § 22.31 of this part;

(8) The application proposes the use of a frequency not allocated to such use.

(c) [Reserved]

(d) If an applicant is requested by the Commission to file any documents or any supplementary or explanatory information not specifically required in the prescribed application form, a failure to comply with such request within a specified time period will be deemed to render the application defective and will subject it to dismissal.

[44 FR 60572, Oct. 19, 1979, as amended at 49 FR 3328, Jan. 26, 1984; 52 FR 5294, Feb. 20, 1987; 55 FR 20397, May 16, 1990]

§ 22.21 Inconsistent or conflicting applications.

While an application is pending and undecided, no subsequent inconsistent or conflicting application may be filed by the same applicant, his successor or assignee, or on behalf or for the benefit of the same applicant, his successor or assignee.

§ 22.22 Repetitious applications.

(a) Where an applicant has been afforded an opportunity for a hearing with respect to a particular application for a new station, or for an extension or enlargement of a service or facilities, and the Commission has, after hearing or default, denied the application or dismissed it with prejudice, the Commission will not consider a like application involving service of the same kind to the same area by the same applicant, or by his successor or assignee, or on behalf of or for the benefit of the original parties in interest, until after the lapse of 12 months from the effective date of the Commission's order. The Commission may, for good cause shown, waive the requirements of this section.

(b) Where an appeal has been taken from the action of the Commission denying a particular application, another application for the same class of station and for the same area, in whole or in part, filed by the same applicant or by his successor or assignee, or on behalf or for the benefit of the original parties in interest, will not be considered until the final disposition of such appeal.

§ 22.23 Amendment of applications. (See also § 22.918)

(a) *Amendments as of right.* A pending application may be amended as a matter of right if the application has not been designated for hearing or placed on public notice for a random selection process.

(1) Amendments shall comply with § 22.29, as applicable; and

(2) Amendments which resolve interference conflicts or amendments under § 22.29 may be filed at any time.

(b) The Commission or the presiding officer may grant requests to amend an application designated for hearing or selected under the random selection process only if a written petition demonstrating good cause is submitted and properly served upon the parties of record.

(c) *Major amendments, minor amendments.* The Commission will classify all amendments as minor except in the cases listed below. An amendment shall be deemed to be a major amendment subject to §§ 22.27 and 22.31 under any of the following circumstances:

(1) *Change in technical proposal.* If the amendment results in a substantial change in the engineering proposal such as (but not necessarily limited to):

(i) A change in, or an addition of, a radio frequency; or

(ii) A change in the class of station (*e.g.*, from control to base).

(2) *Amendments to proposed base station facilities.* If the amendment enlarges the reliable service area of the proposed base station facilities by more than one (1) mile along any of eight radials spaced every forty-five (45) degrees from zero degree True North. This will not apply if the extension is into a service area presently authorized to the applicant and on the same frequency.

(3) If in the Domestic Public Cellular Radio Telecommunications Service, the amendment results in an increase in the Cellular Geographic Service Area.

(4) *Changes in ownership or control.* If the amendment specifies a substantial change in beneficial ownership or control (*de jure* or *de facto*) of an applicant. *Provided, however,* such a change would not be considered major if it is unvoluntary or where it merely amends an application for modification of an authorized station to reflect a change in ownership or control that has previously been approved by the Commission.

(d) If a petition to deny (or other formal objection) has been filed, or if the Commission has published a notice that the application appears to be mutually exclusive with another application (or applications), any amendment (or other written communications) shall be served on the petitioner and on any such mutually exclusive applicant (or applicants), unless waiver of this requirement is granted pursuant to paragraph (f) of this section.

(e) The Commission may waive the service requirements of paragraph (e) of this section and prescribe such alternative procedures as may be appropriate under the circumstances to protect petitioners' interests and to avoid undue delay in a proceeding, if an applicant submits a request for waiver which demonstrates that the service requirement is unreasonably burdensome. Requests for waiver shall be served on petitioners. Oppositions to the petition may be filed within five (5) days after the petition is filed and shall be served on the applicant. Replies to oppositions will not be entertained.

(f) Any amendment to an application shall be signed and shall be submitted in the same manner, and with the same number of copies, as was the original application. Amendments may be made in letter form if they comply in all other respects with the requirements of this chapter.

(g) An application will be considered to be a newly filed application if it is amended by a major amendment (as defined in this section), except in the following circumstances:

(1) The application has been designated for hearing under the random selection process or for comparative hearing, or for comparative evaluation pursuant to § 22.35, and the Commission or the presiding officer accepts the amendment pursuant to § 22.23(b);

(2) The amendment resolves frequency conflicts with other pending applications but does not create new or increased frequency conflicts;

(3) The amendment reflects only a change in ownership or control found by the Commission to be in the public interest, and for which a requested exemption from the "cut-off" requirements of § 22.31 is granted;

(4) The amendment reflects only a change in ownership or control which results from an agreement under § 22.29 whereby two or more applicants entitled to participate in a random selection process, or comparative consideration of their applications, join in one or more of the existing applications and request dismissal of their other application(s) to avoid the random selection process or the delay and cost of comparative consideration;

(5) The amendment corrects typographical transcription, or similar clerical errors which are clearly demonstrated to be mistakes by reference to other parts of the application, and whose discovery does not create new or increased frequency conflicts;

(6) The amendment does not create new or increased frequency conflicts, and is demonstrably necessitated by events which the applicant could not have reasonably foreseen at the time of filing, such as, for example:

(i) The loss of a transmitter or receiver site by condemnation, natural causes, or loss of lease or option;

(ii) Obstruction of a proposed transmission path caused by the erection of a new building or other structure; or

(7) The amendment proposes only a change in a control or repeater frequency.

(h) *800 MHz Air-Ground Radiotelephone Service.* In this service major and minor amendments may be filed after the filing of the initial application.

(1) The filing of a major amendment will not render the application to be treated as newly filed.

(2) The proposed addition of base stations will be considered a minor amendment as long as the initial application proposed 50 ground stations.

(3) Amendments proposing to transfer control or assignment of an application or a substantial change in beneficial ownership or control of the applicant are not permitted and will be dismissed.

(Secs. 4, 303, 307, 48 Stat. 1066, 1082, 1083, as amended, (47 U.S.C. 154, 303, 307))

[44 FR 60572, Oct. 19, 1979, as amended at 47 FR 39686, Sept. 9, 1982; 48 FR 27203, June 13, 1983; 49 FR 3328, Jan. 26, 1984; 50 FR 32202, Aug. 9, 1985; 55 FR 25842, June 25, 1990]

§ 22.24 [Reserved]

§ 22.25 Application for temporary authorizations.

(a) In circumstances requiring immediate or temporary use of facilities, request may be made for special temporary authority to install and/or operate new or modified equipment. Any such request may be submitted as an informal application in the manner set forth in § 22.5 and must contain full particulars as to the proposed operation including all facts sufficient to justify the temporary authority sought and the public interest therein. No such request will be considered unless the request is received by the Commission at least 10 days prior to the date of proposed construction or operation or, where an extension is sought, expiration date of the existing temporary authorization. A request received within less than 10 days may be accepted upon due showing of sufficient reasons for the delay in submitting such request.

(b) Special temporary authorizations may be granted without regard to the 30-day public notice requirements of § 22.27(b) when:

(1) The authorization is for a period not to exceed 30 days and no application for regular application is contemplated to be filed;

(2) The authorization is for a period not to exceed 60 days pending the filing of an application for such regular operation;

(3) The authorization is to permit interim operation to facilitate completion of authorized construction or to provide substantially the same service as previously authorized; or

(4) The authorization is made upon a finding that there are extraordinary circumstances requiring operation in the public interest and that delay in the institution of such service would seriously prejudice the public interest.

(c) Temporary authorizations of operation not to exceed 180 days may be granted under the standards of section 309(f) of the Communications Act where extraordinary circumstances so require. Extensions of the temporary authorization for a period of 180 days each may also be granted, but the renewal applicant bears a heavy burden to show that extraordinary circumstances warrant such an extension.

(d) In cases of emergency found by the Commission, involving danger to life or property or due to damage of equipment, or during a national emergency proclaimed by the president or declared by the Congress or during the continuance of any war in which the United States is engaged and when such action is necessary for the national defense or safety or otherwise in furtherance of the war effort, or in cases of emergency where the Commission finds that it would not be feasible to secure renewal applications from existing licensees or otherwise to follow normal licensing procedure, the Commission will grant radio station authorizations and station licenses, or modifications or renewals thereof, during the emergency found by the Commission or during the continuance of any such national emergency or war, as special temporary licenses, only for the period of emergency or war requiring such action, without the filing of formal applications.

[44 FR 60572, Oct. 19, 1979, as amended at 48 FR 27253, June 14, 1983]

PROCESSING OF APPLICATIONS

§ 22.26 Receipt of application.

(a) Applications received for filing are given a file number. The assignment of a file number to an application is merely for administrative convenience and does not indicate the acceptance of the application for filing and processing. Such assignment of a file number will not preclude the subsequent return or dismissal of the application if it is found to be not in accordance with the Commission's rules.

(b) Acceptance of an application for filing merely means that it has been the subject of a preliminary review as to completeness. Such acceptance will not preclude the subsequent return or dismissal of the application if it is found to be defective or not in accordance with the Commission's rules. (See § 22.13 for additional information concerning filing of applications.)

§ 22.27 Public notice period.

(a) At regular intervals, the Commission will issue a public notice listing:

(1) The acceptance for filing of all applications and major amendments thereto;

(2) Significant Commission actions concerning applications listed as acceptable for filing;

(3) Information which the Commission in its discretion believes of public significance. Such notices are solely for the purpose of informing the public and do not create any rights in an applicant or any other person.

(4) Special environmental considerations as required by Part 1 of this chapter.

(b)(1) The Commission will not grant any application until expiration of a period of thirty (30) days following the issuance date of a public notice listing the application, or any major amendments thereto, as acceptable for filing.

(2) Applications for frequencies in the 932-932.5/941-941.5 MHz bands shall be filed initially during a one-week period to be announced by public notice. After these applications have been processed, the Commission shall announce by public notice a filing date for remaining frequencies. From this

filing date forward, applications shall be processed on a daily first-come, first-served basis.

(c) As an exception to paragraphs (a)(1), (a)(2) and (b) of this section, the public notice provisions are not applicable to applications:

(1) For authorization of a minor technical change in the facilities of an authorized station where such a change would not be classified as a major amendment (as defined by § 22.23) were such a change to be submitted as an amendment to a pending application;

NOTE: Applications to provide local distribution facilities for network paging systems filed pursuant to § 22.527 are considered minor applications.

(2) For issuance of a license subsequent to a radio station authorization or, pending application for a grant of such license, any special or temporary authorization to permit interim operation to facilitate completion of authorized construction or to provide substantially the same service as would be authorized by such license;

(3) For extension of time to complete construction of authorized facilities;

(4) For temporary authorization pursuant to § 22.25(b);

(5) For developmental authorizations under Subpart F of this part (§§ 22.400–22.406), when no waiver of § 22.404(d) is requested (no service to the public is proposed);

(6) For an authorization under any of the proviso clauses of section 308(a) of the Communications Act of 1934 (47 U.S.C. 308(a));

(7) For consent to an involuntary assignment or transfer of control of a radio authorization; or

(8) For consent to a voluntary assignment or transfer of control of a radio authorization, where the assignment or transfer does not involve a substantial change in ownership or control.

[44 FR 60572, Oct. 19, 1979, as amended at 49 FR 3329, Jan. 26, 1984; 49 FR 22324, May 29, 1984; 50 FR 32202, Aug. 9, 1985; 54 FR 10328, Mar. 13, 1989; 54 FR 20962, May 15, 1989]

§ 22.28 Dismissal and return of applications.

(a) Except as provided under § 22.29, any application may be dismissed without prejudice as a matter of right if the applicant requests its dismissal prior to designation for hearing. An applicant's request for the return of his application after it has been accepted for filing will be considered to be a request for dismissal without prejudice. Requests for dismissal shall comply with the provisions of § 22.29 as appropriate.

(b) A request to dismiss an application without prejudice will be considered after designation for hearing only if:

(1) A written petition is submitted to the Commission and is properly served upon all parties of record, and

(2) The petition complies with the provisions of § 22.29 (whenever applicable) and demonstrates good cause.

(3) The petition complies with the provisions of § 22.29 (whenever applicable) and demonstrates good cause.

(c) The Commission will dismiss an application for failure to prosecute or for failure to respond substantially within a specified time period to official correspondence or requests for additional information. Dismissal shall be without prejudice if made prior to designation for hearing or prior to selection under the random selection process, but dismissal may be made with prejudice for unsatisfactory compliance with § 22.29 or after designation for hearing or after selection under the random selection process.

[44 FR 60572, Oct. 19, 1979, as amended at 48 FR 27203, June 13, 1983]

§ 22.29 Ownership changes and agreements to amend or to dismiss applications or pleading.

(a) *Applicability.* This section applies to applicants and all other parties interested in pending applications who wish to resolve contested matters among themselves with a formal or an informal agreement or understanding. This section applies only when the agreement or understanding will result in:

(1) A major change in the ownership of an applicant to which § 22.23 and 22.23(g) apply, or

(2) The individual or mutual withdrawal, amendment or dismissal of any pending application, ameldment, petitioner or other pleading.

(b) *Policy.* Parties to contested proceedings are encouraged to settle their disputes among themselves. Parties which, under a settlement agreement, apply to the Commission for ownership changes or for the amendment or dismissal of either pleadings or applications, shall at the time of filing notify the Commission that such filing is the result of an agreement or understanding.

(c) The provisions of § 22.29 do not apply to the 800 MHz Air-Ground Radiotelephone Service.

[49 FR 3329, Jan. 26, 1984, as amended at 55 FR 25842, June 25, 1990]

§ 22.30 Opposition to applications.

(a) Petitions to deny (including petitions for other forms of relief) and responsive pleadings for Commission consideration must:

(1) Identify the application or applications (including applicant's name, station location, Commission file numbers and radio service involved) with which it is concerned;

(2) Be filed in accordance with the pleading limitations, filing periods, and other applicable provisions of §§ 1.41 through 1.52;

(3) Contain specific allegations of fact which, except for facts of which official notice may be taken, shall be supported by affidavit of a person or persons with personal knowledge thereof, and which shall be sufficient to demonstrate that the petitioner (or respondent) is a party in interest and that a grant of, or other Commission action regarding, the application would be prima facie inconsistent with the public interest;

(4) Be filed within thirty (30) days after the date of public notice announcing the acceptance for filing of any such application or major amendment thereto (unless the Commission otherwise extends the filing deadline); and

(5) Contains a certificate of service showing that it has been mailed to the applicant no later than the date of filing thereof with the Commission.

(b) A petition to deny a major amendment to a previously filed application may only raise matters directly related to the amendment which could not have been raised in connection with the underlying, previously filed application. This does not apply to petitioners who gain standing because of the major amendment.

[44 FR 60572, Oct. 19, 1979, as amended at 49 FR 3329, Jan. 26, 1984]

§ 22.31 Mutually exclusive applications.

(a) The Commission will consider applications to be mutually exclusive if their conflicts are such that the grant of one application would effectively preclude by reason of harmful electrical interference, or other practical reason, the grant of one or more of the other applications. The Commission will presume "harmful electrical interference" to mean interference which would result in a material impairment to service rendered to the public despite full cooperation in good faith by all applicants or parties to achieve reasonable technical adjustments which would avoid electrical conflict.

(1) In the Domestic Public Cellular Radio Telecommunications Service, applications shall be considered mutually exclusive if their proposed Cellular Geographic Service Areas (CGSAs) overlap in such a way that a grant of one would preclude the grant of one or more of the other applications, except that applications for the same Rural Service Area (RSA) will be considered mutually exclusive regardless of whether their CGSAs overlap, provided however that:

(i) Notwithstanding any other provision of the rule section and rule provision of this part, applications by other than licensees or grantees for a Metropolitan Statistical Area (MSA) to serve unserved areas outside the presently authorized CGSA but within the MSA will not be accepted for five years from the date of the grant of the original construction authorization of each system in an MSA.

(ii) [Reserved]

(b) An application will be entitled to comparative consideration with one or more conflicting applications (and, in specified services in this rules part, included in a random selection process) only if:

(1) The application is mutually exclusive with the other application; and

(2) The application is received by the Commission in a condition acceptable for filing by whichever "cut-off" date is earlier:

(i) Sixty (60) days after the date of the public notice listing the first of the conflicting applications as accepted for filing; or

(ii) One (1) business day preceding the day on which the Commission takes final action on the previously filed application (should the Commission act upon such application in the interval between thirty (30) and sixty (60) days after the date of its public notice).

(c) Whenever three or more applications are mutually exclusive, but not uniformly so, the earliest filed application establishes the date prescribed in paragraph (b)(2) of this section, regardless of whether or not subsequently filed applications are directly mutually exclusive with the first filed application. (For example, applications A, B and C are filed in that order. A and B are directly mutually exclusive, B and C are directly mutually exclusive. In order to be considered comparatively with B (or, where applicable, included in the random selection process), C must be filed within the "cut-off" period established by A even though C is not directly mutually exclusive with A.)

(d) An application otherwise mutually exclusive with one or more previously filed applications, but filed after the appropriate date prescribed in paragraph (b)(2) of this section, will be returned without prejudice and will be eligible for refiling only after final action is taken by the Commission with respect to the previously filed application (or applications).

(e) *Additional frequencies.* An applicant requesting a frequency which is mutually exclusive with another application that has previously been placed on public notice shall not in the same application request additional frequencies which are not mutually exclusive with the first application. Instead, additional frequencies may be applied for in a separate application.

(f) *Rural Service Areas.* The provisions of this paragraph shall not apply to initial applications to serve a Rural Cellular Area in the Domestic Public Cellular Radio Telecommunications Service. Applications by entities other than licensees or grantees for a particular RSA to serve unserved areas outside the presently authorized CGSA but within the Rural Service Area (RSA) will not be accepted for five years from the grant of the original construction authorization of each system in an RSA. During this five-year period the original licensee will be authorized to expand its system into unserved areas of the RSA. If the original licensee/grantee transfers its *entire* RSA authorization, consisting of one or more CGSAs to another party, the remainder of the five-year period and the exclusive right of expansion without competing applications transfers with the authorization. However, if the licensee/grantee transfers *less* that its total original authorization to another party, the transferee will not obtain the exclusive right to expand the areas covered by the transferred authorization unless the transferee obtains a signed statement transferring such rights from the licensee grantee. After the five-year period ha expired, the provisions of § 22.31(a)(1 will apply.

(g) During the initial filing windo for frequencies in the 932-932.5/ 941 941.5 MHz bands, applicants ma specify a frequency preference, bu the Commission shall assign all fr quencies. After the initial filin window, an applicant must select th frequency or frequency pair for whic it is applying. With respect to u paired frequencies, an applicant mu specify a frequency in the 932-932 MHz band if all planned remote st tions are located within 48 kilomete of the control station. In the event mutually exclusive applications occu ring in the 932-932.5/941-941.5 M bands during the initial filing windo a nationwide random drawing to ra applications shall be conducted amo all applications that have not been d missed or otherwise found unacceptable. This drawing shall include applications for both paired and unpaired frequencies. In the event mutually exclusive applications are received for the 932-932.5/941-941.5 MHz bands on the same day after the initial filing window has closed and a subsequent filing window opened, lotteries shall be conducted for each frequency or frequency pair among all mutually exclusive applications.

(h) Notwithstanding other provisions in this section, applications for the 800 MHz Air-Ground Radiotelephone Service will not be considered mutually exclusive.

(Secs. 4, 303, 307, 48 Stat., as amended, 1066, 1080, 1082, 1083; (47 U.S.C. 154, 303, 307))

[44 FR 60572, Oct. 19, 1979, as amended at 48 FR 27203, June 13, 1983; 49 FR 3329, Jan. 26, 1984; 52 FR 16848, May 6, 1987; 53 FR 47213, Nov. 22, 1988; 54 FR 20962, May 15, 1989; 54 FR 30896, July 25, 1989; 55 FR 10463, Mar. 21, 1990; 55 FR 25842, June 25, 1990]

§ 22.32 Consideration of applications.

(a) Applications for an instrument of authorization will be granted if, upon examination of the application and upon consideration of such other matters as it may officially notice, the Commission finds that the grant will serve the public interest, convenience, and necessity.

(b) The grant shall be without a formal hearing if, upon consideration of the application, any pleadings or objections filed, or other matters which may be officially noticed, the Commission finds that:

(1) The application is acceptable for filing, and is in accordance with the Commission's rules, regulations, and other requirements;

(2) The application is not subject to a post-random selection hearing or to comparative consideration pursuant to § 22.31 with another application(s), except where the competing applicants have chosen the comparative evaluation procedure of § 22.35 and a grant may be made under that procedure;

(3) A grant of the application would not cause harmful electrical interference to an authorized station;

(4) There are no substantial and material questions of fact presented; and

(5) The applicant is qualified under current FCC regulations and policies.

(c) If the Commission should grant without a formal hearing an application for an instrument of authorization which is subject to a petition to deny filed in accordance with § 22.30, the Commission will deny the petition by the issuance of a Memorandum Opinion and Order which will concisely report the reasons for the denial and dispose of all substantial issues raised by the petition.

(d) Whenever the Commission, without a formal hearing, grants any application in part, or subject to any terms or conditions other than those normally applied to applications of the same type, it shall inform the applicant of the reasons therefor, and the grant shall be considered final unless the Commission should revise its action (either by granting the application as originally requested, or by designating the application for a formal evidentiary hearing) in response to a petition for reconsideration which:

(1) Is filed by the applicant within thirty (30) days from the date of the letter or order giving the reasons for the partial or conditioned grant;

(2) Rejects the grant as made and explains the reasons why the application should be granted as originally requested; and,

(3) Returns the instrument of authorization.

(e) The Commission will designate an application for a formal hearing specifying with particularity the matters and things in issue, if, upon consideration of the application, any pleadings or objections filed, or other matters which may be officially noticed, the Commission determines that:

(1) A substantial and material question of fact is presented;

(2) The Commission is unable for any reason to make the findings specified in paragraph (a) of this section and the application is acceptable for filing, complete, and in accordance with the Commission's rules, regulations, and other requirements.

(3) The application is entitled to comparative consideration (under

§ 22.31) with another application (or applications); or

(4) The application is entitled to comparative consideration (pursuant to § 22.31) and the applicants have chosen the comparative evaluation procedure of § 22.35 but the Commission deems such procedure to be inappropriate.

(5) In the Domestic Public Cellular Radio Telecommunications Service the application is entitled to comparative consideration (under § 22.31) with another application (or applications); in such cases the hearing shall conform to the comparative evaluation procedure described in § 22.916.

(f) The Commission may grant, deny or take other action with respect to an application designated for a formal hearing pursuant to paragraph (e) or Part I of this chapter.

(g) Whenever the public interest would be served, the Commission may grant one or more mutually exclusive applications expressly conditioned upon final action on the applications, and then either conduct a random selection process (in specified services under this rules part), or designate all mutually exclusive applications for a formal evidentiary hearing or (whenever so requested) follow the comparative evaluation procedures of § 22.35, as appropriate, if it appears:

(1) That some or all of the applications were not filed in good faith, but were filed for the purpose of delaying or hindering the grant of another application;

(2) That the public interest requires the prompt establishment of radio service in a particular community or area;

(3) That a delay in making a grant to any applicant until after the conclusion of a hearing on all applications might jeopardize the rights of the United States under the provisions of an international agreement to the use of the frequency in question; or

(4) That a grant of one application would be in the public interest in that it appears from an examination of the remaining applications that they cannot be granted because they are in violation of provisions of the Communications Act, other statutes, or of the provisions of this chapter.

(h) Reconsideration or review of any final action taken by the Commission will be in accordance with Subpart A of Part 1 of this chapter.

(Secs. 4, 303, 307, 48 Stat., as amended, 1066, 1082, 1083; (47 U.S.C. 154, 303, 307))

[44 FR 60572, Oct. 19, 1979, as amended at 45 FR 63492, Sept. 25, 1980; 47 FR 34567, Aug. 10, 1982; 48 FR 27204, June 13, 1983; 49 FR 3329, Jan. 26, 1984]

§ 22.33 Grants by random selection.

(a) If a properly filed application for an initial license in the Public Land Mobile Service, or in the Domestic Public Cellular Radio Telecommunications Service for markets below the top-30 cellular modified Metropolitan Statistical Areas, is mutually exclusive with another such application, the applicants shall be included in the random selection process set forth in Part I, § 1.821 *et seq.*; except, however, that an applicant in the Public Land Mobile Service that qualifies under paragraph (c) of this section may request to proceed by comparative hearing as set forth therein. No preferences shall be awarded. Renewal applications shall not be included in a random selection process.

(b) *Cumulative chances of partial cellular settlements.* (1) Top-120 Markets. The joint enterprise resulting from a partial settlement among mutually exclusive cellular applicants for any one of the top-120 cellular modified Metropolitan Statistical Areas, if entered into after the filing of individual applications by its members, will receive the cumulative number of lottery chances that the individual applicants would have had if no partial settlement had been reached.

(2) Markets Beyond the Top-120 and Rural Service Areas. In markets beyond the top-120 cellular modified Metropolitan Statistical Areas, the cumulative lottery chances described in paragraph (b)(1) of this section will be awarded to joint enterprises resulting from partial settlements among mutually exclusive wireline applicants only. Any joint enterprise resulting from a partial settlement among mutually exclusive nonwireline applicants for markets beyond the top-120 Metropolitan Statistical Areas will not be entitled to

any cumulative lottery chances. Partial settlements among non.wireline applicants for Rural Service Areas are prohibited.

(c) A mutually exclusive applicant in the Public Land Mobile Service proposing to expand an authorized station as described in paragraph (c)(1) or (c)(2) of this section may request that its application and those applications mutually exclusive with it be designated for a comparative hearing under the procedures set forth in § 22.32. Such a request must be filed with the Commission within 30 days of the date of public notice (as defined in § 1.4) that the applications appear to be mutually exclusive. The request must include a demonstration of how the public interest would be served by using a comparative hearing procedure. If the Commission finds that the requesting applicant satisfies the requirements of this paragraph, it shall determine whether the public interest would be served by using some form of comparative procedure instead of a lottery. The showings necessary to qualify for a request under this paragraph are in addition to any need showing or traffic load study that may be required for the requested facilities. The following applicants shall be eligible to make this request:

(1) An applicant proposing to add one or more transmitter locations to an authorized station on the same frequency or frequencies for which it is already licensed and within 40 miles of existing transmitter locations on those frequencies, and when the applicant demonstrates in its application a demand by its existing subscribers for the expanded service; or

(2) An applicant proposing to add one or more frequencies to an authorized station at the same location or other locations within 40 miles of an existing transmitter location, if the frequencies to be added are in the same frequency band as those already authorized (*i.e.*, low-band (35–43 MHz), VHF (150 MHz), UHF (450 MHz) or 900 MHz).

(Secs. 1, 4 (i) and (j), 303, 309, 403 of the Communications Act of 1934, as amended, and sec. 553 of the Administrative Procedure Act)

[50 FR 5583, Feb. 11, 1985, as amended at 50 FR 20772, May 20, 1985; 53 FR 18094, May 20, 1988]

§ 22.34 [Reserved]

§ 22.35 Comparative evaluation of mutually exclusive applications.

(a) In order to expedite action on mutually exclusive applications, in services under this Rules Part where the random selection process does not apply, the applicants may request the Commission to consider their applications without a formal hearing in accordance with the summary procedure outline in paragraph (b) of this section, if:

(1) The applications are entitled to comparative consideration pursuant to § 22.31;

(2) The applications have not been designated for formal evidentiary hearing; and

(3) The Commission determines, initially or at any time during the procedure outlined in paragraph (b) of this section, that such procedure is appropriate, and that, from the information submitted and consideration of such other matters as may be officially noticed, there are no substantial and material questions of fact presented (other than those relating to the comparative merits of the applications) which would preclude a grant under paragraphs (a) and (b) of § 22.32.

(b) Provided that the conditions of paragraph (a) of this section are satisfied, applicants may request the Commission to act upon their mutually exclusive applications without a formal hearing pursuant to the summary procedure outlined below:

(1) To initiate the procedure, each applicant will submit to the Commission a written statement containing:

(i) A waiver of his right to a formal hearing;

(ii) A request and agreement that, in order to avoid the delay and expense of a comparative formal hearing, the Commission should exercise its judgment to select from among the mutually exclusive applications that proposal (or proposals) which would best serve the public interest; and

(iii) The signature of a principal (and his attorney if so represented).

(2) After receipt of the written requests of all of the applicants the Commission (if it deems this procedure appropriate) will issue a notice designating the comparative criteria upon which the applications are to be evaluated and will request each applicant to submit, within a specified period of time, additional information concerning his proposal relative to the comparative criteria.

(3) Within thirty (30) days following the due date for filing this information, the Commission will accept concise and factual argument on the competing proposals from the rival applicants, potential customers, and other knowledgeable parties in interest.

(4) Within fifteen (15) days following the due date for the filing of comments, the Commission will accept concise and factual replies from the rival applicants.

(5) From time to time during the course of this procedure the Commission may request additional information from the applicants and hold informal conferences at which all competing applicants shall have the right to be represented.

(6) Upon evaluation of the applications, the information submitted, and such other matters as may be officially noticed the Commission will issue a decision granting one (or more) of the proposals which it concludes would best serve the public interest, convenience and necessity. The decision will report briefly and concisely the reasons for the Commission's selection and will deny the other application(s). This decision shall be considered final.

(c) The provisions of § 22.35 do not apply to applications in the 800 MHz Air-Ground Radiotelephone Service.

[44 FR 60572, Oct. 19, 1979, as amended at 48 FR 27204, June 13, 1983; 55 FR 25842, June 25, 1990]

§§ 22.36—22.38 [Reserved]

§ 22.39 Transfer of control or assignment of station authorization.

(a) *Approval required.* Authorizations shall be transferred or assigned to another party, voluntarily (for example, by contract) or involuntarily (for example, by death, bankruptcy, or legal disability), directly or indirectly or by transfer of control of any corporation holding such authorization, only upon application and approval by the Commission.

(1) A change from less than 50% ownership to 50% or more ownership shall always be considered a transfer of control.

(2) In other situations a controlling interest shall be determined on a case-by-case basis considering the distribution of ownership, and the relationships of the owners, including family relationships.

(b) *Form required*—(1) *Assignment.* (i) FCC Form 490 shall be filed to assign a license or permit.

(ii) In the case of involuntary assignment, FCC Form 490 shall be filed within 30 days of the event causing the assignment.

(2) *Transfer of control.* (i) FCC Form 490 shall be submitted in order to transfer control of a corporation holding a license or permit.

(ii) In the case of involuntary transfer of control, FCC Form 490 shall be filed within 30 days of the event causing the transfer.

(3) *Form 430.* Whenever an application must be filed under paragraph (a) (1) or (2) of this section, the assignee or transferee shall file FCC Form 430 ("Common Carrier Radio License Qualification Report") unless an accurate report is on file with the Commission.

(4) *Notification of completion.* The Commission shall be notified by letter of the date of completion of the assignment or transfer of control.

(5) *Partial assignment.* If only a portion (less than 100%) of the authorized facilities are transferred or assigned to another party, voluntarily or involuntarily, such action is considered a partial assignment. Request for authorization for partial assignment of a license shall be made—

(i) By the assignee: On FCC Form 401.

(ii) By the assignor: On FCC Form 489.

(iii) The partial assignment must be completed within 60 days of FCC authorization. If the assignment is not timely completed, FCC Form 489 must be filed to return the license to its original specifications. The assignee must submit his authorization for cancellation.

(c) In acting upon applications for transfer of control or assignment, the Commission will not consider whether the public interest, convenience, and necessity might be served by the transfer or assignment of the authorization to a person other than the proposed transferee or assignee.

[49 FR 3329, Jan. 26, 1984, as amended at 52 FR 10572, Apr. 2, 1987]

§ 22.40 Considerations involving transfer or assignment applications.

(a) The Commission will review a proposed transaction to determine if the circumstances indicate "trafficking" in licenses or construction permits whenever applications (except those involving *pro forma* assignment or transfer of control and those for exclusive paging frequencies) for consent to assignment of a common carrier authorization, or for transfer of control of a permittee or licensee, involve facilities that were:

(1) Authorized following a comparative hearing and have been operated less than one year, or;

(2) Involve facilities that have not been constructed,

(i) At its discretion, the Commission may require the submission of an affirmative, factual showing (supported by affidavits of a person or persons with personal knowledge thereof) to demonstrate that the proposed assignor or transferor has not acquired an authorization or operated a station for the principal purpose of profitable sale rather than public service. This showing may include, for example, a demonstration that the proposed assignment or transfer is due to changed circumstances (described in detail) affecting the licensee subsequent to the grant of the authorization, or that the proposed transfer of radio facilities is incidental to a sale of other facilities or merger of interests.

(b) *Cellular systems:* The sale of a cellular construction permit will only be permitted after a showing that the transferor is not speculating in cellular licenses. The burden of proof is on the transferor. See also § 22.920.

(c) *800 MHz Air-Ground Radiotelephone Service.* Applications and authorizations for unconstructed facilities in this service cannot be transferred or assigned or be the subject of any substantial changes in ownership.

(1) Authorizations for constructed facilities may be transferred or assigned or subject to substantial changes in ownership only after the station has been operated for one year. Transfer of control or assignment applications filed prior to the expiration of this one year period will be dismissed.

[52 FR 10573, Apr. 2, 1987, as amended at 55 FR 25842, June 25, 1990]

§§ 22.41—22.42 [Reserved]

§ 22.43 Period of construction.

(a)(1) *General rule.* Except as otherwise provided in § 22.43(d), a radio station authorization shall specify the date of grant as the earliest date for commencement of construction.

(2) The station must be completed and ready for operation, as shown by commencement of service within 12 months after the grant of the radio station authorization. In the case of offshore telephone stations, the period shall be 18 months.

(3) If construction is not completed within the time period set forth in this rule the authorization will automatically expire. Before the period for construction expires an application for an extension of time to complete construction (FCC Form 489) may be filed. *See* subsection (b) of this section. Within 30 days after the authorization expires an application for reinstatement may be filed on FCC Form 489. An application for reinstatement will only be considered if the application demonstrates that the failure to file a timely application for extension or notification of completion of construction was due to causes beyond the applicant's control.

(b) *Extension of Time to Complete Construction*—(1) *General rule.* Application for extension of time to complete construction may be made on FCC Form 489. Extension of time must be filed prior to the expiration of the construction period. Extensions will be granted only if the licensee shows that the failure to complete construction is due to causes beyond his control. No extensions will be granted for delays caused by lack of financing, lack of site availability, for the assignment or transfer of control of an authorization, or for failure to timely order equipment. If the licensee orders equipment within 90 days of the license grant, a presumption of due diligence is created.

(i) An application for modification of an authorization (under construction) at the existing location, does not extend the initial construction period. If additional time to construct is required, an FCC Form 489 must be submitted in conjunction with the FCC Form 401 requesting modification.

(ii) If an FCC Form 401 construction permit modification application is filed to relocate a base station, prior to the expiration date of the construction permit, because of a loss of a site or other involuntary reasons due to causes beyond the applicant's control, the underlying construction permit will automatically be extended pending disposition of the modification application.

(2) *State certification.* No extension will be granted when state certification has been denied and all state appeals have been exhausted. If an applicant requests an extension due to lack of state certification, one 8-month extension may be granted when state law permits construction before certification is obtained. No more than two 8-month extensions may be granted when state law prohibits construction before certification is obtained. Lack of state certification must be due to a cause beyond applicant's control, and extensions will not be granted if there is lack of diligence in pursuing state certification. If the licensee files for state certification within 90 days of the license grant, a presumption of due diligence is created.

(c) *Cellular base stations.* (1) Cellular base stations, which will provide coverage over 75% of the cellular geographic service area, as defined in § 22.903 of these rules, shall be completed and the station ready for operation within 36 months from the date the radio station authorization is granted.

(2) For systems beyond the top-90 markets, construction of an initial phase of the system, which may consist of one or more cells, must be completed, and a notification on Form 489 that the system is ready to commence service to the public must be filed, within 18 months from the date the radio station authorization is granted.

(3) Subsequent modifications to any initial authorizations in a market (partially constructed or unconstructed facilities) are granted for a period of one year or if more than one year remains in the initial authorization the remaining construction period of the original authorization will be assigned to the modification.

(4) Failure to begin service in a timely manner in accordance with this rule will result in the termination of the authorization; unless a station is constructed and the failure to commence service is for reasons of inability to obtain state certification in a state that permits construction before certification is obtained. The licensee is required to show proof of state law requirements.

(5) If a licensee fails to provide 75% coverage of the CGSA within 36 months of the initial license grant; the licensee will be required to reduce the CGSA to meet the 75% coverage.

(d) *Commencing construction prior to grant of a radio station authorization*—(1) *Scope.* Section 22.43(d) applies to the following Public Land Mobile Service (PLMS) applicants and Domestic Public Cellular Radio Telecommunications Service (cellular) applicants and tentative selectees:

(i) Applicants for an initial station authorization in the PLMS;

(ii) Applicants for a non-permissive change, *see* § 22.9 of the rules, of an existing station authorization in the PLMS;

(iii) Applicants who have filed applications or amendments which request expansion of the reliable service area of a PLMS base station facility by less than one mile. *Cf.* § 22.23(c)(2) of the rules;

(iv) Cellular tentative selectees seeking the initial Block A (non-wireline) or Block B (wireline) authorization awarded in a cellular market;

(v) The sole eligible wireline applicant, or sole surviving wireline applicant after a full market settlement, to apply for the initial Block B (wireline) authorization in a cellular market;

(vi) Applicants seeking authorization to expand an existing Cellular Geographic Service Area (CGSA) pursuant to § 22.9 of the rules, both during the exclusive five year fill-in period, *see* § 22.31 (a)(1), (f) of the rules, and after the fill-in period has expired *Id.*; and

(vii) Applicants seeking an initial cellular authorization after the exclusive five year fill-in period has expired. *See* § 22.31(a)(1), (f) of the rules.

(2)(i) *General rule.* Once the applicant has filed a Form 401 with the Commission, and 90 days have elapsed from the date of the public notice listing the application as acceptable for filing, the applicant may commence construction provided that the requirements of § 22.43 (d)(3) have been met.

(ii) Notwithstanding any provision of § 22.43(d), if the Commission for any reason determines that construction should not be commenced or should be stopped pending the grant of an authorization the applicant shall cease construction upon receiving notification from the Commission. Notification may be made in writing or orally followed with a written confirmation. The notification of cessation of construction may be revoked in writing once the reason for making such notification no longer exists.

(3) *Conditions.* An applicant may not commence construction prior to the grant of an authorization as long as any of the following conditions persist:

(i) The application is mutually exclusive with another application or a petition to deny has been filed;

(ii) The applicant requests a waiver of a Commission rule pursuant to § 22.19 of the rules;

(iii) The application proposes a *de minimis* extension of a CGSA beyond the borders of the cellular market, *see* § 22.903 of the rules;

(iv) The applicant, where required, has not filed a notice of proposed construction with the FAA, or has not received a determination from the Commission as to any required antenna structure marking and lighting specifications;

(v) The applicant (or cellular tentative selectee) has not taken all of the following steps: (A) Considered whether the proposed facility may have a significant environmental effect pursuant to §§ 1.1301 through 1.1319 of the rules; (B) determined that the proposed facility will not have such an effect; and (C) indicated this determination on the Form 401;

(vi) For a PLMS applicant, the proposed facility will be located between line A and the United States-Canadian border, *See* §§ 1.955, 22.117(b)(2) of the rules; or a facility to be operated in the 931-932 MHz band will be located in any of the areas indicated in Note C, *infra;* and

(vii) For cellular applicants (or tentative selectees) the proposed facility's 39 dBu contour will extend into Mexico.

(4) *Exceptions to the general rule*—(i) *Cellular applications for the initial wireline and non-wireline authorizations to be awarded in each cellular market.* Cellular tentative selectees seeking the initial wireline or non-wireline radio station authorization to be awarded in a cellular market, *see* § 22.43(d)(1)(iv), and the sole eligible wireline applicant, or sole surviving wireline applicant after a full market settlement, to apply for the initial wireline authorization in a cellular market, *see* § 22.43(d)(1)(v) shall not be subject to the general rule set out in § 22.43(d)(2)(i). Rather, once 60 days have elapsed from the date of public notice announcing the tentative selectee, or the sole eligible or sole surviving wireline applicant, the tentative selectee, or applicant, may commence construction provided that the requirements of § 22.43(d)(3) have been met, except that in these circumstances the fact that mutually exclusive applications are pending shall not bar construction by the cellular tentative selectee.

(ii) *Applications to expand an existing CGSA during the fill-in period.* Cellular applications to expand an existing CGSA during the fill-in period, *see* § 22.43(d)(1)(vi), shall not be subject to the general rule set out in § 22.43(d)(2)(i). Rather, once the applicant has filed a Form 401 with the Commission, and 45 days have elapsed from the date of the public notice listing the application as acceptable for filing, the applicant may commence construction provided that the requirements of § 22.43(d)(3) have been met.

(iii) *Applications and amendments to expand the reliable service area of a PLMS base station by less than one mile.* Applications and amendments which request expansion of the reliable service area of a PLMS base station facility by less than one mile, *see* § 22.43(d)(1)(iii), shall not be subject to the general rule set out in § 22.43(d)(2)(i). Rather, once the applicant has mailed the Form 401 to the Commission, the applicant may commence construction provided that the requirements of § 22.43(d)(3) have been met.

(5) *Assumption of risk.* Applicants who commence construction prior to receiving an authorization pursuant to § 22.43(d), shall assume the risk of and have no recourse against the United States on account of:

(i) Not receiving an authorization;

(ii) Errors and time lags in the public notice system;

(iii) Having to alter, relocate or dismantle the facility; and

(iv) Incurring whatever costs may be necessary to bring the facility into compliance with applicable laws.

(6) *Commencing operation.* Applicants constructing facilities without prior Commission authorization pursuant to § 22.43(d), shall not commence operating such facilities until after the Commission issues an authorization and the applicant complies with the notification requirements of § 22.9(b)(1) of the rules.

NOTE A: Pursuant to an agreement between the Commission and the Department of Communications in Canada, Commission authorizations issued for cellular facilities built within forty-five miles of the U.S. Canadian border shall have the following condition attached:

This authorization is subject to the condition that, in the event that cellular systems using the same frequency block as granted herein are authorized in adjacent territory in Canada, coordination of any of your transmitter installations which are within 45 miles of the U.S.-Canadian border shall be required to eliminate any harmful interference that might otherwise exist and to insure continuance of equal access to the frequency block by both countries.

NOTE B: Pursuant to an agreement between the United States and Mexico, Commission authorizations issued for cellular facilities built within forty-five miles of the United States-Mexican border, or whose 39 dBu contour extends into Mexico, shall have the following condition attached:

This authorization is subject to the condition that, in the event cellular systems using the same frequencies granted herein are authorized in adjacent territory in Mexico, coordination of your transmitter installations which are within 72 kilometers (45 miles) of the United States-Mexico border shall be required to eliminate any harmful interference that might otherwise exist and to ensure continuance of equal access to the frequencies by both countries. The operator of this system shall not contract with customers in Mexico and further, users of the system must be advised that operation of a mobile unit in Mexico is not permitted at this time without the express permission of the Mexican government. The above conditions are subject to modification pending further notice from the Commission.

NOTE C: In the case of PLMS facilities to be operated on the 931-932 MHz band, preauthorization construction will not be allowed if the proposed station is to be located within any of the following areas.

(1) Stations located within the area between line A or line C, as defined in § 1.955 of the rules, and the United States-Canadian border.

(2) Stations located within 100 miles of the coordinates listed below.

(3) Stations located within 250 miles of the Canadian border receive station coordinates listed below and within ±30 degrees of the given azimuth (from the Canadian station).

CANADIAN TERRESTRIAL MICROWAVE RECEIVERS REQUIRING PROTECTION

Geographic coordinates		Azimuth from true north (degrees)
North latitude	West longitude	
62°35'40"	140°55'36"	173.2°
61°15'13"	138°48'12"	312.2°
49°33'50"	90°21'15"	205.5°
49°07'07"	93°55'30"	265.4°
48°48'17"	123°17'06"	255.4°
48°58'18"	88°18'24"	221.7°
48°45'36"	92°37'00"	259.5°
48°19'11"	84°04'12"	192.5°
48°27'56"	81°18'14"	236.6°
47°56'08"	69°23'08"	222.1°
45°16'35"	74°08'06"	75.1°

(e) *800 MHz Air-Ground Radiotelephone Service.* Subject to the provisions of § 22.43(d) applicants may preconstruct air-ground stations.

(1) Within 3 years after the grant of the initial authorization, the licensee must construct at least 25 ground stations.

(i) Upon completion of construction of at least 25 ground stations, the licensee must notify the Commission of completion of construction using FCC Form 489. Licensees may commence service on the day Form 489 is mailed to the Commission.

(2) Within 5 years after the grant of the initial authorization, the licensee must complete construction of 50 ground stations and begin providing nationwide service to the public.

(3) Failure to comply with any of the requirements of paragraphs (e)(1), (e)(1)(i) or (e)(2) of this section will cause the authorization to automatically expire and the authorization must be submitted to the Commission for cancellation.

[49 FR 3330, Jan. 26, 1984, as amended at 50 FR 32202, Aug. 9, 1985; 50 FR 33545, Aug. 20, 1985; 52 FR 10573, Apr. 2, 1987; 52 FR 20087, May 29, 1987; 54 FR 33552, Aug. 15, 1989; 55 FR 25842, June 25, 1990]

§ 22.44 Termination of authorization.

(a)(1) All authorizations shall terminate on the date specified on the authorization or on the date specified by these rules, unless a timely application for renewal has been filed.

(2) If no application for renewal has been made before the authorization's expiration date, a late application for renewal will only be considered if it is filed within 30 days of the expiration date and shows that the failure to file a timely application was due to causes beyond the applicant's control. During this 30 day period reinstatement applications must be filed on FCC Form 489. Service to subscribers need not be suspended while a late filed renewal application is pending, but such service shall be without prejudice to Commission action on the renewal application and any related sanctions.

(b) *Special Temporary Authority.* A special temporary authorization shall automatically terminate upon failure to comply with the conditions in the authorization.

(c) *State certification.* Except in the 800 MHz Air-Ground Radiotelephone Service, where the holder of an authorization is denied state certification and the state appeal process is exhausted before the end of the one-year period, the license will be forfeited. If the licensee regains state certification before the end of the one year period, a request for reinstatement may be considered.

[49 FR 3330, Jan. 26, 1984, as amended at 52 FR 10573, Apr. 2, 1987; 52 FR 20087, May 29, 1987; 55 FR 25842, June 25, 1990]

§ 22.45 License period.

(a) Licenses will be granted for up to ten years. When a date is specified in paragraph (b), of this section, the license will be valid until that date in the year of expiration. When the Commission determines the public interest, convenience or necessity would be served by a shorter license period, the license will be granted for such period.

(b) *License Termination.* Station licenses will expire on the dates listed below, in the year of expiration:

Public Land Mobile (radio common carriers)—Apr. 1
Public Land Mobile (wireline common carriers)—July 1
Offshore Telephone—Aug. 1
Public Land Mobile (air-ground base stations)—Sept. 1
Rural Radio—Nov. 1
Cellular Radio—Oct. 1

(c) 800 MHz Air-Ground Radiotelephone Service. The license will terminate 10 years from the date a system with 25 ground stations initially becomes operational upon the filing of FCC Form 489.

[50 FR 32202, Aug. 9, 1985; 50 FR 33545, Aug. 20, 1985, as amended at 55 FR 25842, June 25, 1990]

Subpart C—Technical Standards

§ 22.100 Frequencies, interference.

(a) The frequencies available for use in the services covered by this part of the rules are listed in the applicable subparts of this part. Assignment of frequencies will be made only in such a manner as to facilitate the rendition of communication service on an interference-free basis in each service area. Unless otherwise indicated, each frequency available for use by stations in these services will be assigned exclusively to a single applicant in any service area. All applicants for, and licensees of, stations in these services shall cooperate in the selection and use of the frequencies assigned in order to minimize interference and thereby obtain the most efficient use of the authorized facilities.

(b) *Interference*—(1) *General rule.* (i) The Commission will take no action upon complaints of interference against any station which is operating within the Commission's rules and its authorization, except as provided in this section.

(ii) The Commission will only consider complaints of interference which significantly interrupt or degrade a radio service.

(iii) In cases where this section protects against interference, the Commission will take whatever action it deems necessary in response to interference complaints.

(2) *Operation in accordance with authorization or rules.* A station causing interference by failing to operate in accordance with its authorization or these rules shall discontinue radiation until it can comply with the authorization or rule regardless of the amount of interference caused, except for transmission concerning the immediate safety of life or property, in which case transmission shall be suspended immediately after the emergency is terminated.

(3) *Secondary uses of frequencies.* All uses of frequencies specified in these rules as secondary to the primary uses shall be discontinued if harmful interference to the primary use cannot be eliminated.

(4) *Base-to-base station interference.* When an authorization has been properly granted, interference between base stations in the public mobile radio service shall be resolved by the licensees. If the licensees cannot resolve the interference, the Commission, after notice and opportunity for hearing, may order whatever changes in equipment or operation it deems necessary.

(5) *Mobile-to-base, mobile-to-mobile.* No protection will be provided against mobile-to-base or mobile-to-mobile interference.

(6) *Control and repeater stations.* Control and repeater stations shall not cause harmful interference to other stations.

(7) *Dispatch stations.* Dispatch stations shall not cause harmful interference to other stations.

(c) *35 MHz band.* No protection against tropospheric and ionospheric propagation of signals will be given except as provided in § 22.501(a).

(d) *2100 MHz bands.* All applicants for regular authorization for use of the bands 2110–2130 MHz and 2160–2180 MHz shall, before filing an application or major amendment to a pending application, coordinate proposed frequency usage with existing users in the area and other applicants with previously filed applications, in this radio service and in the point-to-point Microwave and Local Television Radio Services, whose facilities could affect or be affected by the new proposal in terms of frequency interference or restricted ultimate system capacity. Use of frequencies in these bands is subject to the interference conditions in § 22.501(e). In engineering a system or modification thereto, the applicant shall by appropriate studies and analyses select sites, transmitters, antennas and frequencies that will avoid harmful interference to other users. All applicants, permittees and licensees shall cooperate fully and make reasonable efforts to resolve technical problems and conflicts that may inhibit the most effective and efficient use of the radio spectrum; however, the party being coordinated with is not obligated to suggest changes or re-engineer a proposal in cases involving conflicts. Applicants should make every reasonable effort to avoid blocking the growth of systems that are likely to need additional capacity in the foreseeable future. The applicant shall identify in the application all entities with which the technical proposal was coordinated in the event that technical problems are not resolved or if the existing licensee, permittee or applicant does not respond to coordination efforts within 30 days after notification, an explanation shall be submitted with the application. Where technical problems are resolved by an agreement or operating arrangement between the parties that would require special procedures be taken to reduce the likelihood of harmful interference (such as the use of artificial site shielding) or would result in a reduction of quality or capacity of either system, the details thereof shall be contained in the application. The following guidelines are applicable to the coordination procedure:

(1) Coordination involves two separate elements: Notification and response. Both or either may be oral or in written form. To be acceptable for filing, all applications and major technical amendments must certify that coordination, including response, has been completed. The name of the carriers with which coordination was accomplished must be specified.

(2) Notification must include relevant technical details of the proposal. At minimum, this should include, as applicable, the following:

Transmitting station name.

Transmitting station coordinates.

Frequencies and polarizations to be added or changed.

Transmitting equipment type, its stability, actual output power, and emission designator.

Transmitting antenna type and model and, if required, a typical pattern and maximum gain.

Transmitting antenna height above ground level and ground elevation above mean sea level.

Receiving station name.

Receiving station coordinates.

Receiving antenna type and model and, if required, a typical pattern and maximum gain.

Receiving antenna height above ground level and ground elevation above mean sea level.

Path azimuth and distance.

(3) [Reserved]

(4) Response to notification should be made as quickly as possible, even if no technical problems are anticipated. Every reasonable effort should be made by all carriers to eliminate all problems and conflicts. If no response to notification is received within 30 days, the applicant will be deemed to have made reasonable efforts to coordinate and may file his application without a response.

(5) The 30-day notification period is calculated from the date of receipt by the carrier being notified. If notification is by mail, this date may be ascertained by: (i) The return receipt on certified mail, (ii) the enclosure of a card to be dated and returned by the recipient, or (iii) a conservative estimate of the time required for the mail to reach its destination. In the latter case, the estimated date when the 30-day period would expire should be stated in the notification.

(6) All technical problems that come to light during coordination must be resolved unless a statement is included with the application to the effect that the applicant is unable or unwilling to resolve the conflict and briefly the reason therefor.

(7) Where a number of technical changes become necessary for a system during the course of coordination, an attempt should be made to minimize the number of separate notifications for these changes. Where the changes are incorporated into a completely revised notice, the items that were changed from the previous notice should be identified.

(8) Where subsequent changes are not numerous or complex, the carrier receiving the changed notification should make an effort to respond in less than 30 days. Where the notifying carrier believes a shorter response time is reasonable and appropriate, it may be helpful for him to so indicate in the notice and perhaps suggest a response date.

(9) If it is determined that a subsequent change could have no impact on some carriers receiving the original notification, it is not necessary to coordinate the change with such carrier. However, these carriers should be advised of the change and of the opinion that coordination is not required for said change.

(10) Carriers should supply to all other carriers, or known carrier applicants, within their areas of operations, the name, address and telephone number of their coordination representatives. Upon request from coordinating carriers or applicants, data and

information concerning existing or proposed facilities and future growth plans in the area of interest should be furnished unless such request is unreasonable or would impose a significant burden in compilation.

(11) Carriers should keep other carriers with which they are coordinating advised of deletions or changes in plans for facilities previously coordinated. If applications have not been filed 6 months after coordination was completed, carriers may assume, unless notified otherwise, that such frequency use is no longer desired.

(e) *Blanketing.* Areas adjacent to the transmitting antenna that receive a signal strength of 115 dBu or greater will be assumed to be blanketed. In determining the blanketed area, the 115 dBu contour is determined by calculating the inverse distance field using the maximum radiated lobe of the antenna without considering its vertical radiation pattern or height. For directional antennas, the effective radiated power in the pertinent bearing shall be used.

(1) The distance to the 115 dBu contour is determined using the following equation:

$$D\ (\text{in miles}) = 0.245 \times (P)^{1/2}$$

Where P is the maximum effective radiated power (ERP), measured in kilowatts, of the maximum radiated lobe.

(2) Licensees of new or modified stations ("licensee(s)"); must resolve all complaints of blanketing interference (as defined in this Section) which are received by licensee within one year of filing a "Notification of Status of Facilities," FCC Form 489. Resolution of complaints shall be at no cost to the complainant. These requirements specifically do not include interference complaints resulting from malfunctioning or mistuned receivers, improperly installed antenna systems, or the use of high gain antennas or antenna booster amplifiers. Mobile receivers and non-RF devices are also excluded.

(3) A licensee co-locating with one or more existing licensees must assume full financial responsibility for remedying new complaints of blanketing interference for a period of one year. Two or more licensees concurrently co-locating facilities are jointly responsible for remedying blanketing interference unless the commission can readily determine the offending station and then that station shall assume full responsibility.

(4) Following the one year period of full financial responsibility to satisfy blanketing complaints, licensees shall provide technical information to complainants on remedies for blanketing interference.

(f) *Control and repeater stations (450 MHz band).* Control or repeater stations using the frequencies 454.025-454.650 MHz and 459.025-459.650 MHz shall not cause harmful interference to any other type of station authorized to use those frequencies and shall be secondary to rural radio and mobile service by other classes of stations.

[44 FR 60572, Oct. 19, 1979, as amended at 49 FR 3330, Jan. 26, 1984; 50 FR 32202, Aug. 9, 1985; 54 FR 28817, July 10, 1989]

§ 22.101 Frequency Tolerance.

(a) *Tolerance.* The carrier frequency of each transmitter shall be maintained within the following tolerances from the assigned frequencies:

Frequency range (MHz)	All fixed and base stations	Frequency Tolerance (percent)	
		Mobile stations over 3 watts	Mobile stations 3 watts or less
25 to 50	0.002	0.002	0.005
50 to 450	.0005	.0005	.005
450 to 512	.00025	.0005	.0005
821 to 896	.00015	.00025	.00025
928 to 929	.0005		
929 to 932	.00015		
932 to 932.5	0.00015		
941 to 941.5	0.00015		
959 to 960	.00015		
2110 to 2220	.001		

(b) *Transmitter measurements.* The licensee of each station shall employ a suitable method to ensure that the transmitter operates within the tolerances prescribed by these rules and on the assigned frequency.

[49 FR 3331, Jan. 26, 1984, as amended at 50 FR 32202, Aug. 9, 1985; 54 FR 10329, Mar. 13, 1989]

§§ 22.102—22.103 [Reserved]

§ 22.104 Emission types.

(a)(1) *General.* Stations in the public land mobile, rural radio, and offshore radio services are automatically authorized the following emission designators: 15K0F2D, 16K0F3E, 16K0F3C, 16K0F1D, and 16K0F1E. Stations in the Domestic Public Cellular Radio Telecommunications Service are automatically authorized 40K0F3E and 40K0F1D emission designators. Equipment must be type-accepted for the specific emission-designators utilized. Requests for emissions other than those listed in this section require prior Commission authorization.

(2) Emissions for tone signals or signaling devices whose sole functions are to establish and to maintain communications are included under the authorized emissions. These emissions must be within the authorized bandwidth and do not have to be listed separately.

(3) Applications for base stations employing amplitude compandored single sideband modulation (ASSB) shall be submitted on Form 401.

(i) The application shall describe fully the modulation characteristics, emission and occupied bandwidth, and specify the center frequency of the emitted bandwidth for each channel, carrier frequency (though suppressed), and pilot frequencies, if any. All center frequencies shall fall within the authorized bandwidth of emission as defined in section 507. The authorized bandwidth of emission shall be centered on an assignable frequency in §§ 22.501, 22.601 and 22.1001. The total of the out-of-band emissions shall meet the requirements of § 22.106, assuming an FM transmitter with an output power equal to the sum of all ASSB output powers in the authorized bandwidth.

(ii) The reliable service area contours of each channel shall be determined in accordance with § 22.504. Multiple channels in one authorized bandwidth are considered as a "group" if the overlap between the reliable service area contours of all channels in the group is fifty percent or greater. The sum of the peak effective radiated powers of all ASSB channels within a group shall not exceed 500 watts.

(iii) Interference studies between stations within an authorized bandwidth, whether FM-to-ASSB, ASSB-to-FM, or ASSB-to-ASSB shall be in accordance to the following. For ASSB stations, the location of the station in the group nearest to the station studied for interference shall be selected. The effective radiated power in the direction of the other station shall be the sum of the peak effective radiated powers in the group, each in the direction of the other station. The antenna-center height above average terrain shall be the maximum antenna-center height of any station in the group in the direction of the studied station. The frequency of the group shall be sssumed to be the same as that of the other station (co-channel), and studies shall be made in accordance with § 22.15(b).

(iv) A showing of need is not required in an application requesting one or more initial ASSB channels in one authorized bandwidth. Licensees authorized one or more channels in an authorized bandwidth requesting one or more additional ASSB channels in the same bandwidth and in the same market area will not be required to conduct traffic loading studies. In cases not cited above, §§ 22.16 and 22.516 of the rules apply and the ASSB channels within an authorized bandwidth will be treated as a single channel on an assignable frequency for traffic loading studies.

(4) Any other types of emissions not listed in paragraphs (a) (1) and (2) of this section shall be submitted on Form 401 with interference showings to existing and known pending stations and shall be considered on a developmental basis.

(b) *Unmodulated emissions.* (1) Authorization to employ types of modulated emissions shall include authority to employ unmodulated emissions for temporary or short periods for equipment testing.

(2) Continuous unmodulated emissions may be utilized at a maximum of 1 watt output power to prevent the indication of false channel occupation.

[49 FR 3332, Jan. 26, 1984, as amended at 49 FR 48701, Dec. 14, 1984; 50 FR 32203, Aug. 9, 1985; 52 FR 10573, Apr. 2, 1987]

§ 22.105 Bandwidth.

Each authorization issued pursuant to these rules will show, as the emission designator, a symbol representing the class of emission which shall be prefixed by a number specifying the necessary bandwidth in kilohertz. This figure does not necessarily indicate the bandwidth actually occupied by the emission at any instant. In those cases where Part 2 of this chapter does not provide a formula for the computation of the necessary bandwidth, the occupied bandwidth may be used in the emission designator.

§ 22.106 Emission limit.

(a) For transmitters other than those employing digital modulation techniques, the mean power of emissions shall be attenuated below the mean output power of the transmitter in accordance with the following schedule:

(1) On any frequency removed from the assigned frequency by more than 50 percent up to and including 100 percent of the authorized bandwidth: at least 25 decibels;

(2) On any frequency removed from the assigned frequency by more than 100 percent up to and including 250 percent of the authorized bandwidth: at least 35 decibels;

(3) On any frequency removed from the assigned frequency by more than 250 percent of the authorized bandwidth: At least 43 plus 10 Log$_{10}$ (mean output power in watts) decibels, or 80 decibels, whichever is the lesser attenuation.

(b) For transmitters not equipped with an audio low pass filter required by the provisions of paragraphs (f) and (g) of § 22.508, and for those employing digital modulation techniques, the power of any emission shall be attenuated below the unmodulated carrier power (P) in accordance with the following schedule:

(1) For those transmitters that operate in the frequency bands of 35.0 to 44.0 MHz, 72.0 to 73.0 MHz, 75.4 to 76.0 MHz or 152.0 to 159.0 MHz,

(i) On any frequency removed from the center of the authorized bandwidth by a displacement frequency (fd in kHz) of more than 5 kHz up to and including 10 kHz: at least 83 Log$_{10}$ (fd/5) decibels;

(ii) On any frequency removed from the center of the authorized bandwidth by a displacement frequency (fd in KHz) of more than 10 KHz up to and including 250 percent of the authorized bandwidth: At least 29 Log10 fd2/11 decibels or 50 decibels, whichever is the lesser attenuation;

(iii) On any frequency removed from the center of the authorized bandwidth by more than 250 percent of the authorized bandwidth: at least 43 plus 10 Log$_{10}$ (output power in watts) decibels or 80 decibels, whichever is the lesser attenuation.

NOTE: The measurements of emission power can be expressed in peak or average values provided they are expressed in the same parameters as the unmodulated transmitter carrier power.

(2) For those transmitters that operate in the frequency bands 450.0 to 512.0 MHz, or 929.0 to 932.0 MHz,

(i) On any frequency removed from the center of the authorized bandwidth by a displacement frequency (fd in kHz) of more than 5 kHz up to and including 10 kHz: at least 83 Log$_{10}$ (fd/5) decibles:

(ii) On any frequency removed from the center of the authorized bandwidth by a displacement frequency (fd in kHz) of more than 10 kHz up to and including 250 percent of the authorized bandwidth: at least 116 Log$_{10}$ (fd/6.1) decibels or 50 plus 10 Log$_{10}$ (P) or 70 decibels, whichever is the lesser attenuation;

(iii) On any frequency removed from the center of the authorized bandwidth by more than 250 percent of the authorized bandwidth: at least 43 plus 10 Log$_{10}$ (output power in watts) decibels or 80 decibels, whichever is the lesser attenuation.

NOTE: The measurements of emission power can be expressed in peak or average values provided they are expressed in the same parameters as the unmodulated transmitter carrier power.

(3) For those transmitters that operate in the frequency bands 932-932.5/

941-941.5 MHz with a 12.5 kHz bandwidth,

(i) On any frequency removed from the center of the authorized bandwidth by a displacement frequency (f_d in kHz) of more than 2.5 kHz up to and including 6.25 kHz: At least 53 $\log_{10}$ (f_d/2.5) decibels;

(ii) On any frequency removed from the center of the authorized bandwidth by a displacement frequency (f_d in kHz) of more than 6.25 kHz up to and including 9.5 kHz: At least 103 $\log_{10}$ (f_d/3.9) decibels;

(iii) On any frequency removed from the center of the authorized bandwidth by a displacement frequency (f_d in kHz) of more than 9.5 kHz up to and including 15 kHz: At least 157 $\log_{10}$ (f_d/5.3) decibels;

(iv) On any frequency removed from the center of the authorized bandwidth by a displacement frequency greater than 15 kHz: At least 50 plus 10 $\log_{10}$ (P) or 70 decibels, whichever is the lesser attenuation.

(4) For those transmitters that operate in the frequency bands 932-932.5/941-941.5 MHz with a bandwidth greater than 12.5 kHz,

(i) On any frequency removed from the center of the authorized bandwidth by a displacement frequency (f_d in kHz) of more than 5 kHz up to and including 10 kHz: At least 83 $\log_{10}$ (f_d/5) decibels;

(ii) On any frequency removed from the center of the authorized bandwidth by a displacement frequency (f_d in kHz) of more than 10 kHz up to and including 250 percent of the authorized bandwidth: At least 116 $\log_{10}$ (f_d/6.1) decibels or 50 plus 10 $\log_{10}$ (P) or 70 decibels, whichever is the lesser attenuation;

(iii) On any frequency removed from the center of the authorized bandwidth by more than 250 percent of the authorized bandwidth: At least 43 plus 10 $\log_{10}$ (output power in watts) decibels or 80 decibels, whichever is the lesser attenuation.

(c) When an emission outside of the authorized bandwidth causes harmful interference, the Commission may, at its discretion, require greater attenuation than specified in this section.

[49 FR 3332, Jan. 26, 1984, as amended at 52 FR 10573, Apr. 2, 1987; 55 FR 10463, Mar. 21, 1990]

§ 22.107 Standby facilities.

(a) *Base*. Standby facilities for base stations will be authorized when the resultant reliable service area and interference contour(s) do not exceed those of the facilities which are being replaced.

(b) *Control-Repeater*. Standby control facilities will be authorized subject to non-interference to other users.

[50 FR 32203, Aug. 9, 1985]

§ 22.108 Directional antennas.

(a) *Directional antennas required*. Rural radio stations, control stations, repeater stations, and dispatch stations shall use a directional antenna with the major lobe of radiation in the horizontal plane directed toward the receiving station or the passive reflector with which the station communicates. A multi- or omni-directional antenna may be authorized if necessary where a station communicates with more than one point.

(b) *Beam width required*. Stations required to use directional antennas shall meet the standards indicated below. Maximum beam width is for the major lobe of radiation at the half power points. Suppression is the minimum attenuation required for any secondary lobe signal and is referenced to the maximum signal in the main lobe.

Frequency range	Maximum beam width (degrees)	Suppression (dB)
Below 512 MHz	80	10
512 to 1000 MHz	20	13
1500 to 2500 MHz	12	13

(c) *Temporary fixed station requirement*. Temporary fixed stations may use antenna structures not exceeding the height criteria in Part 17 of this chapter. Greater height requires FAA or FCC approval.

(d) All applications for station authorization (Form 401) shall include the beam with of the major lobe of the antenna pattern (polar diagram).

For this purpose the beam width is defined as the arc, in degrees, including all points on the polar diagram which are within 3 decibels of the point of maximum gain (half power points). For omnidirectional antennas the beam width is defined as 360 degrees.

[49 FR 3333, Jan. 26, 1984]

§ 22.109 Antenna structure.

(a) *General provisions.* (1) Permittees and licensees shall not allow antenna structures to become a hazard to air navigation.

(2) Antenna structures shall be marked and maintained in accordance with section 303(q) of the Communications Act of 1934, as amended (47 U.S.C. 303(q)) and Part 17 of this chapter and all applicable rules and requirements of the Federal Aviation Administration. Specific lighting and marking requirements are described in FCC Form 715 or FCC Form 715A.

(b) *Maintenance contracts.* Permittees and licensees may be contract delegate the marking and maintenance requirements specified for these radio services. All licensees or permittees who make such contractual arrangements, including situations in which a common antenna is used, shall be responsible for the contractor's performance. The general requirements of § 22.205 apply.

[49 FR 3333, Jan. 26, 1984]

§ 22.110 Antenna polarization.

(a) *Vertical.* The following types of stations shall employ an antenna which radiates a vertically polarized signal:

(1) Base, mobile, dispatch, and auxiliary test stations operating in the Public Land Mobile Service;

(2) Offshore Telephone stations;

(3) Stations operating in the 72-76 MHz band.

(4) Stations operating in the Cellular Radio Telecommunications Service.

(5) Control and repeater stations in the 900 MHz Band.

(b) *Horizontal.* (1) Stations not required by paragraph (a) of this section to use vertical polarization shall employ horizontal polarization.

(2) Rural subscriber stations communicating with base stations may employ vertical polarization.

(c) *Circular.* Upon satisfactory showing that transmission will be improved and harmful interference will be reduced, the Commission may authorize a station, other than those listed in paragraph (a) of this section, to radiate a circularly polarized signal.

(d) Above 960 MHz. Public Land Mobile stations operating above 960 MHz are not limited as to the type of polarization.

(e) Control frequencies listed in § 22.501(g) (1) and (2) may use either horizontal or vertical polarization.

(f) The provisions of § 22.110 do not apply to stations in the 800 MHz Air-Ground Radiotelephone Service.

[49 FR 3333, Jan. 26, 1984, as amended at 50 FR 32203, Aug. 9, 1985; 52 FR 10573, Apr. 2, 1987; 55 FR 25842, June 25, 1990]

§§ 22.111—22.112 [Reserved]

§ 22.113 Quiet zones.

Quiet zones are those areas where it is necessary to restrict radiation so as to minimize possible impact on the operations of radio astronomy or other facilities that are highly sensitive to radio frequency interference. The areas involved and procedures required are as follows:

(a) In order to minimize possible harmful interference at the National Radio Astronomy Observatory site located at Green Bank, Pocahontas County, West Virginia, and at the Naval Radio Research Observatory site at Sugar Grove, Pendleton County, West Virginia, any applicant for a station authorization other than mobile, temporary base, or temporary fixed seeking authorization for a new station or to modify an existing station in a manner which would change either the frequency, power, antenna height or directivity, or location of such a station within the area bounded by 39°15′ N. on the north, 78°30′ W. on the east, 37°30′ N. on the south, and 80°30′ W. on the west shall, at the time of filing such application with the Commission, simultaneously notify the Director, National Radio Astronomy Observatory, Post Office Box No.

2, Green Bank, West Virginia 24944, in writing, of the technical particulars of the proposed operation. Such notification shall include the geographical coordinates of the antenna, antenna height, antenna directivity (if any), proposed frequency, type of emission, and power. In addition, the applicant shall indicate in his application to the Commission the date notification was made to the Observatory. After receipt of such applications, the Commission will allow a period of twenty (20) days for comments or objections in response to the notifications indicated. If an objection to the proposed operation is received during the 20-day period from the National Radio Astronomy Observatory for itself or on behalf of the Naval Radio Research Observatory, the Commission will consider all aspects of the problem and take whatever action is deemed appropriate.

(b) In order to minimize possible harmful interference at the Table Mountain Radio Receiving Zone of the Research Laboratories of the Department of Commerce located in Boulder County, Colorado, applicants for new or modified radio facilities in the vicinity of Boulder County, Colorado are advised to give due consideration, prior to filing applications, to the need to protect the Table Mountain Radio Receiving Zone from harmful interference. To prevent degradation of the present ambient radio signal level at the site, the Department of Commerce seeks to ensure that the field strengths of any radiated signals (excluding reflected signals) received on this 1800 acre site (in the vicinity of coordinates 40°07'50" N Latitude, 105°14'40" W Longitude) resulting from new assignments (other than mobile stations) or from the modification or relocation of existing facilities do not exceed the following values:

Frequency Range	Field strength (mV/m) in authorized bandwidth of service	Power flux density[1] (dBW/m^2) in authorized bandwidth of services
Below 540 kHz	10	65.8
540 to 1600 kHz	20	59.8
1.6 to 470 MHz	10	[2]65.8
470 to 890 MHz	30	[2]56.2
Above 890 MHz	1	[2]85.0

[1] Equivalent values of power flux density are calculated assuming free space characteristic impedance of $376.7 = 120\pi$ ohms.

[2] Space stations shall conform to the power flux density limits at the earth's surface specified in appropriate parts of the FCC rules, but in no case should exceed the above levels in any 4 kHz band for all angles of arrival.

(1) Advance consultation is recommended particularly for those applicants who have no reliable data which indicates whether the field strength or power flux density figures in the above table would be exceeded by their proposed radio facilities (except mobile stations). In such instances, the following is a suggested guide for determining whether coordination is recommended:

(i) All stations within 1.5 statute miles;

(ii) Stations within 3 statute miles with 50 watts or more effective radiated power (ERP) in the primary plane of polarization in the azimuthal direction of the Table Mountain Radio Receiving Zone;

(iii) Stations within 10 statute miles with 1 kW or more ERP in the primary plane of polarization in the azimuthal direction of Table Mountain Receiving Zone;

(iv) Stations within 50 statute miles with 25 kW or more ERP in the primary plane of polarization in the azimuthal direction of Table Mountain Receiving Zone.

(2) Applicants concerned are urged to communicate with the Radio Frequency Managment Coordinator, Department of Commerce, Research Support Services, NOAA R/E5X2, Boulder Laboratories, Boulder, CO 80303; telephone (303) 497-6548, in advance of filing their applications with the Commission.

(3) The Commission will not screen applications to determine whether advance consultation has taken place. However, applicants are advised that such consultation can avoid objections from the Department of Commerce or proceedings to modify any authoriza-

tion which may be granted which, in fact, delivers a signal at the site in excess of the field strength specified herein.

(c) Protection for Federal Communications Commission monitoring stations:

(1) Applicants in the vicinity of an FCC monitoring station for a radio station authorization to operate new transmitting facilities or changed transmitting facilities which would increase the field strength produced over the monitoring station over that previously authorized are advised to give consideration, prior to filing applications, to the possible need to protect the FCC stations from harmful interference. Geographical coordinates of the facilities which require protection are listed in § 0.121(c) of the Commission's Rules. Applications for stations (except mobile stations) which will produce on any frequency a direct wave fundamental field strength of *greater than 10 mV/m* in the authorized bandwidth of service (−65.8 dBW/m^2 power flux density assuming a free space characteristic impedance of 377 ohms) at the referenced coordinates, may be examined to determine extent of possible interference. Depending on the theoretical field strength value and existing root-sum-square or other ambient radio field signal levels at the indicated coordinates, a clause protecting the monitoring station may be added to the station authorization.

(2) In the event that calculated value of expected field exceeds 10 mV/m (−65.8 dBW/m^2) at the reference coordinates, or if there is any question whether field strength levels might exceed the threshold value, advance consultation with the FCC to discuss any protection necessary should be considered. Prospective applicants may communicate with: Chief, Field Operations Bureau, Federal Communications Commission, Washington, DC 20554, Telephone (202) 632-6980.

(3) Advance consultation is suggested particularly for those applicants who have no reliable data which indicates whether the field strength or power flux density figure indicated would be exceeded by their proposed radio facilities (except mobile stations). In such instances, the following is a suggested guide for determining whether an applicant should coordinate:

(i) All stations within 2.4 kilometers (1.5 statute miles);

(ii) Stations within 4.8 kilometers (3 statute miles) with 50 watts or more average effective radiated power (ERP) in the primary plane of polarization in the azimuthal direction of the Monitoring Stations.

(iii) Stations within 16 kilometers (10 statute miles) with 1 kW or more average ERP in the primary plane of polarization in the azimuthal direction of the Monitoring Station;

(iv) Stations within 80 kilometers (50 statute miles) with 25 kW or more average ERP in the primary plane of polarization in the azimuthal direction of the Monitoring Station;

(4) Advance coordination for stations operating above 1000 MHz is recommended only where the proposed station is in the vicinity of a monitoring station designated as a satellite monitoring facility in § 0.121(c) of the Commission's Rules and also meets the criteria outlined in paragraphs (c)(2) and (3) of this section.

(5) The Commission will not screen applications to determine whether advance consultation has taken place. However, applicants are advised that such consultation can avoid objections from the Federal Communications Commission or modification of any authorization which will cause harmful interference.

[44 FR 60572, Oct. 19, 1979, as amended at 44 FR 77167, Dec. 31, 1979; 50 FR 3220, Aug. 9, 1985; 50 FR 39001, Sept. 26, 1985]

§ 22.114 [Reserved]

§ 22.115 Topographic data.

(a) *Radials*—(1) *General case.* Average terrain elevation shall be determined from the elevation between 2 and 10 miles from the antenna site. Radials shall be drawn from the antenna site extending for 10 miles. Eight radials shall be drawn for each 45 degrees of azimuth starting from True North.

(2) *Co-Channel or adjacent stations.* (i) Additional radials shall be drawn to

co-channel stations within distances specified in §§ 22.502 and 22.503.

(ii) In the case of Public Land Mobile stations in the 470-512 MHz band, additional radials shall be drawn to co-channel TV stations within 162 miles and to adjacent channel TV stations within 67 miles.

(3) *Foreign territory or water.* When a portion of the 2 to 10 mile radial extends over foreign territory or water, such portion shall not be included on the profile graphs or in the computation of average elevation unless the radial passes over United States land between 10 and 83 miles of the station.

(b) *Profile graphs.* The profile graph for each radial should be plotted by contour intervals of 40 to 100 feet so that, where the data permit, at least 50 points of elevation are generally evenly spaced on each radial. This information may be obtained using topographic quadrangle maps with a scale of 1:24,000. If the terrain is very rugged so that the use of 100-foot intervals would result in several points in a short distance, 200- or 400-foot contour intervals may be used. If the terrain is uniform or gently sloping, the smallest contour on the topographic map should be used, even though only relatively few points may be available.

(1) The profile graphs must:

(i) Indicate the topography accurately;

(ii) Be plotted with distance in miles on the horizontal axis and elevation in feet above mean sea level on the vertical axis;

(iii) Show the elevation of the center of the antenna's radiating system;

(iv) Be plotted on rectangular coordinate paper or curvature of earth paper (although it is not necessary to consider the curvature of the earth.); and

(v) Indicate the source of the data.

(c) *Computation of average terrain elevation.* The average elevation of the 2 to 10 mile portion of each radial shall be determined from the profile graphs. Profile graphs shall not be submitted with the application but shall be made available to the Commission upon request.

(1) In Dade and Broward Counties, Florida, average terrain elevation is assumed to be 10 feet.

(2) In lieu of maps, the average terrain elevation may be computer generated, except in cases of dispute, using elevations from a 30 second, point or better topographic data file. The file must be identified and the data processed for intermediate points along each radial using linear interpolation techniques. The height above mean sea level of the antenna site must be obtained manually using appropriate topographic maps. See also § 22.15.

(d) The provisions of § 22.115 do not apply to stations in the 800 MHz Air-Ground Radiotelephone Service.

[49 FR 3333, Jan. 26, 1984, as amended at 49 FR 48937, Dec. 14, 1984; 50 FR 32203, Aug. 9, 1985; 55 FR 25842, June 25, 1990]

§ 22.116 [Reserved]

§ 22.117 Transmitters.

(a) *Installation.* (1) The transmitter shall be installed so that unauthorized persons will not have access to the transmitter or its control point(s).

(2) Transmitters in the Public Mobile Service shall be installed so that controls which may cause the transmitter to exceed its authorized parameters are accessible only by properly licensed personnel.

(3) Transmitter control circuits shall be installed so that grounding or shorting any line in the control circuit shall not cause the transmitter to radiate.

(4) Each transmitter (other than hand carried or pack-carried) and each control point shall be equipped with some means of indicating when the transmitter's control circuits have been placed in a condition to activate the transmitter. Each transmitter shall be equipped so that the transmitter can be turned on and off independently of any remote control circuits.

(b) Additional transmitters. Licensees may construct and operate additional transmitter locations on the same frequency without obtaining prior Commission approval provided:

(1) The Commission is notified of the new transmitter(s), through the filing of a Form 489 along with a com-

pleted Schedule B from Form 401. The Form 489 shall include a certification that the reliable service area contour and predicted interference contour of the proposed station are totally encompassed within the reliable service area contour and predicted interference contour of the existing station(s). The currently authorized reliable service area contour and predicted interference contour of the station or other commonly owned stations are not enlarged in any direction Cellular licensees certify that the 39 dBu contours of each cell remain within the CGSA.

(i) "Additional transmitters" in the 43 MHz band will be permitted only on a developmental basis, subject to the conditions set forth in Public Notice, *Developmental Common Carrier Paging Base Station Authorizations Assigned in the 43 MHz Spectrum*, Mimeo 4591, released May 16, 1985. Licensees must file a Form 489 along with a schedule B from Form 401 to notify the Commission of any additional 43 MHz transmitters. To request authority to operate on a permanent basis licensees must file a Form 489 for the original base facility and include all subsequent fill-in transmitters, with the same time frame testing period.

(ii) Applications for additional transmitters of 931 MHz band stations are required to certify that the proposed service and interference area(s) are totally encompassed by existing co-channel service and interference area(s).

(iii) Licensees must retain a copy of a completed table MOB III found in FCC Form 401 as part of the licensees' records and this shall be made available to the Commission upon request.

(2) The station must be on the United States side of lines A and C as defined in § 1.955 of this chapter.

(3) Full FAA approval has been obtained. The notification shall state that such clearance has been granted; or if it is a new antenna structure it does not exceed 20 feet high, or if on an existing structure the overall height of the existing structure has not been raised. If it is an existing antenna tower the licensee must submit marking and lighting specifications from Forms 715 and/or 715a.

(4) Commission action would be categorically excluded from the Commission's environmental rules, see § 1.1306 of this chapter. If the action is not categorically excluded, and under § 1.1307 of this chapter may have a significant environmental impact, the requisite environmental assessment as prescribed in § 1.1311 of this chapter must be filed and Commission environmental review must be completed prior to the installation of the transmitter.

(c) *800 MHz Air-Ground Radiotelephone Service.* Air-ground licensees may construct and operate additional ground stations less than one mile from the stations listed in § 22.1109 or any station authorized at a later date in accordance with the requirements of subsection (b) of this section. In addition, these licensees must comply with the following requirements:

(1) Obtain marking and lighting specifications from the Commission's Antenna Survey Branch before commencing construction.

(2) Serve a copy of FCC Form 489 on other authorized air-ground carriers at the time the licensee files Form 489 with the Commission.

[49 FR 3334, Jan. 26, 1984, as amended at 50 FR 32203, Aug. 9, 1985; 50 FR 33545, Aug. 20, 1985; 52 FR 10574, Apr. 2, 1987; 55 FR 20397, May 16, 1990; 55 FR 25842, June 25, 1990; 55 FR 30462, July 26, 1990]

§ 22.118 [Reserved]

§ 22.119 Limitation on use of transmitters for other services.

Transmitters licensed for operation in services governed by this part may not be concurrently licensed or used for non-common carrier communication purposes. However, mobile units may be concurrently licensed or used for non-common carrier communication purposes provided that the transmitter is type-accepted for use in each service.

§ 22.120 Type-acceptance of transmitters.

(a) *Type-acceptance required.* All transmitters shall be type-accepted for use under this part of the rules. Transmitters must be type-accepted when the station is ready for service, not necessarily at the time of filing an application. Developmental systems may use transmitters which have not been type-accepted.

(b) *Procedure for type-acceptance.* Transmitters shall be type-accepted by the Commission pursuant to Subpart J of Part 2 of this chapter (§ 2.901 et seq.).

(1) An applicant for a station authorization may apply for individual transmitter type-acceptance.

(c) *Lists of type-accepted transmitters.* Type-accepted transmitters are listed in the Commission's "Radio Equipment List," which is available for inspection at the Commission in Washington, D.C., and its field offices. Type-accepted individual transmitters normally will not be included in this list, but only specified on the station authorization.

(d) *Cellular equipment.* In addition to the normal type-acceptance procedures contained in Part 2 of this chapter and to the technical standards contained in this part, transmitters designed for operation under Subpart K of this part shall comply with requirements contained in the Commission's cellular system compatibility specification (See § 22.915).

[49 FR 3334, Jan. 26, 1984]

§ 22.121 Replacement of equipment.

(a) A licensee may replace any equipment in its station without authorization if:

(1) The equipment is currently type-accepted for use in this part of the rules;

(2) Antenna height or antenna structure height, whichever is greater, is not increased above the authorized height; and

(3) The distance from the base station to the reliable service area contour is not changed in any direction.

(b) Except as provided in paragraph (a) of this section, a licensee must obtain authorization prior to making changes to or replacements of station equipment.

(c) When equipment is replaced under paragraph (a) of this section, the licensee shall notify the Commission of such changes upon the next application for renewal or modification of the license.

[49 FR 3334, Jan. 26, 1984]

Subpart D—Technical Operation

§ 22.200 Station inspection.

The licensee of each station authorized in the Domestic Public Radio Services shall make the station and station records available for inspection by representatives of the Commission at any reasonable hour.

§ 22.201 Posting station licenses.

(a) The current original authorization for each station shall be retained as a permanent part of the station records but need not be posted.

(b) A clearly legible photocopy of the authorization for each base or fixed station shall be posted at every control point of the station.

[49 FR 3334, Jan. 26, 1984, as amended at 50 FR 32203, Aug. 9, 1985]

§§ 22.202—22.204 [Reserved]

§ 22.205 Operator and maintenance requirements (licensee's general responsibility).

(a) *General.* The station licensee shall be responsible for the proper operation and maintenance of the station. No operator's license is required for a person to operate or perform maintenance on facilities authorized in these radio services. The station licensee shall at all times comply with the Commission's rules, regulations, and policies.

(b) *Maintenance by contract.* When maintenance for a radio station or antenna structure is provided for by agreement with an entity unrelated to the licensee, the agreement shall be in writing.

(1) The licensee shall retain effective operational control over the radio facilities and their operation.

(2) The licensee shall remain fully responsible for the quality of maintenance, for compliance with all the Commission's rules, and for the general instructions given to the contractor.

[49 FR 3334, Jan. 26, 1984]

§§ 22.206—22.209 [Reserved]

§ 22.210 Operation during emergency.

The licensee of any station in these services may during a period of emergency in which normal communication facilities are disrupted as a result of hurricane, flood, earthquake, or similar disaster, utilize such station for emergency communication service in a manner other than that specified in the instrument of authorization: *Provided,*

(a) That as soon as possible after the beginning of such emergency use, notice be sent to the Commission at Washington, D.C., stating the nature of the emergency and the use to which the station is being put, and

(b) That the emergency use of the station shall be discontinued as soon as substantially normal communication facilities are again available, and

(c) That the Commission at Washington, D.C., shall be notified immediately when such special use of the station is terminated, and

(d) That, in no event, shall any station engage in emergency transmission on frequencies other than, or with power in excess of, that specified in the instrument of authorization or as otherwise expressly provided by the Commission, or by law, and

(e) That the Commission may, at any time, order the discontinuance of any such emergency communication.

[44 FR 60572, Oct. 19, 1979, as amended at 49 FR 3334, Jan. 26, 1984]

§ 22.211 [Reserved]

§ 22.212 Tests.

All tests shall be conducted so as not to cause interference to other communication systems. The Commission reserves the right to cancel or modify the licensee's authority when the public interest so requires.

[50 FR 32203, Aug. 9, 1985]

§ 22.213 Station identification.

(a) Each station in these services, except as otherwise provided in this section, shall identify itself by transmitting its assigned call sign in connection with each communication or exchange of communication. In the event of a prolonged series of communications, a station shall identify itself at least every half hour. However, stations engaged in a public telephone message, telegram, radiophoto, or program transmission shall not be required to transmit identifying call signs when such identification would interrupt the continuity of the message, radiophoto, or program that is being transmitted. In any such case, the identifying call sign shall be transmitted immediately following the conclusion of the message, radiophoto or program: *Provided,* That the requirement for transmission of station identification is waived for fixed stations employing continuous radiation with multichannel or video transmission and for the exclusive channel common to all base stations which are specifically authorized to communicate with airborne stations in the Public Mobile Service.

(b) In lieu of the use of an official call sign, as prescribed in paragraph (a) of this section, a station may identify itself as follows:

(1) A mobile station in the Public Mobile Service or Rural Radio Service may identify itself by the special mobile unit designation assigned by the licensee or its assigned telephone number, provided adequate records are maintained by the licensee to permit ready identification of the mobile station.

(2) A rural subscriber station may identify itself by its assigned telephone number, provided adequate records are maintained by the licensee to permit ready identification of the rural subscriber station.

(3) A station at a specified fixed location may identify itself by the name of the city in which the station is located.

(4) A subscriber station in the Offshore Radio Telecommunications Service may identify itself by the special station designation assigned by the licensee or its assigned telephone number, provided adequate records are maintained by the licensee to permit ready identification of the subscriber station.

(5) An airborne station in the Public Mobile Service shall identify itself by the official FAA registration number of the aircraft preceded by a prefix.

(c) Whenever it appears that the manner of identification used by a licensee in lieu of the official call sign is unsatisfactory, the Commission may require the licensee to change the method of station identification.

(d) Where transmission of station identification is required, such transmission shall be capable of being received and understood at an appropriate receiver, without the use of special channeling or transmission unscrambling devices. The identification shall be made by means of Morse code, aural transmission, or tone signaling.

(e) Stations in the 800 MHz Air-Ground Radiotelephone Service shall not be required to identify the station.

[44 FR 60572, Oct. 19, 1979, as amended at 49 FR 3335, Jan. 26, 1984; 51 FR 39755, Oct. 31, 1986; 55 FR 25843, June 25, 1990]

EFFECTIVE DATE NOTE: At 51 FR 39755, Oct. 31, 1986, § 22.213 was amended by revising paragraph (b)(5). This amendment contains information collection requirements which will not be effective until approval has been obtained from the Office of Management and Budget. A notice will be published in the FEDERAL REGISTER.

Subpart E—Miscellaneous

§§ 22.300—22.301 [Reserved]

§ 22.302 Duty of permittees and licensees to respond to official communications.

(a) Licensees are required to respond to official communications with reasonable dispatch and according to the tenor of the communication. Failure to do so will be considered by the Commission to (1) reflect adversely on a person's qualifications to hold licenses, or (2) create liabilities for other appropriate sanctions.

(b) Any person receiving official notice of an apparent or an actual violation of a federal statute, international agreement, Executive Order, or regulation pertaining to communications shall respond in writing within 10 days to the office of the Commission originating the notices. If an answer cannot be sent within 10 days, an acknowledgement and answer shall be sent as soon as possible with a satisfactory explanation of the delay.

(c) All answers to official communications shall be complete and self-contained without reference to other communications unless copies are attached.

[49 FR 3335, Jan. 26, 1984]

§ 22.303 Discontinuance of station operation.

If a station licensed under this part discontinues operation on a permanent basis, the licensee shall forward the station license to the Commission for cancellation. For the purposes of this section, any station which has not operated for 90 continuous days is considered to have been permanently discontinued, unless the applicant has notified the Commission otherwise prior to the expiration of the 90 day period and provided a date when operation will resume, which shall not be in excess of 30 additional days.

[49 FR 3335, Jan. 26, 1984]

§ 22.304 Tariffs, other reports.

All common carriers shall file the reports required by the rules of this chapter (See §§ 1.771 through 1.815).

[49 FR 3335, Jan. 26, 1984]

§§ 22.305—22.306 [Reserved]

§ 22.307 Equal employment opportunities.

(a) *General policy.* Equal opportunity in employment shall be afforded by all common carrier licensees or permittees to all qualified persons, and no personnel shall be discriminated against in employment because of sex, race, color, religion, or national origin.

(b) *Equal employment opportunity program.* Each licensee or permittee shall establish, maintain, and carry out, a positive continuing program of specific practices designed to assure equal opportunity in every aspect of employment policy and practice. Under the terms of its program, a licensee or permittee shall:

(1) Define the responsibility of each level of management to insure a positive application and vigorous enforcement of the policy of equal opportunity, and establish a procedure to review and control managerial and supervisory performance.

(2) Inform its employees and recognized employee organizations of the positive equal employment opportunity policy and program and enlist their cooperation.

(3) Communicate its equal employment opportunity policy and program

and its employment needs to sources of qualified applicants without regard to sex, race, color, religion, or national origin, and solicit their recruitment assistance on a continuing basis.

(4) Conduct a continuing campaign to exclude every form of prejudice or discrimination based upon sex, race, color, religion, or national origin, from the licensee's or permittee's personnel policies and practices and working conditions.

(5) Conduct a continuing review of job structure and employment practices and adopt positive recruitment, training, job design and other measures needed in order to insure genuine equality of opportunity to participate fully in all organizational units, occupations and levels of responsibility.

(c) *Additional information to be furnished to the Commission.* (1) Equal Employment Programs to be filed by common carrier licensees or permittees.

(i) All licensees or permittees will file a statement of their equal employment opportunity program not later than December 17, 1970, indicating specific practices to be followed in order to assure equal employment opportunity on the basis of sex, race, color, religion, or national origin in such aspects of employment practices as regards recruitment, selection, training, placement, promotion, pay, working conditions, demotion, layoff, and termination.

(A) Any changes or amendments to existing programs should be filed with the Commission on April 1 of each year thereafter.

(B) If a licensee or permittee has fewer than 16 full-time employees, no such statement need be filed.

(2) The program should reasonably address itself to such specific areas as set forth below, to the extent that they are appropriate in terms of licensee size, location, etc.

(i) *To assure nondiscrimination in recruiting.* (A) Posting notices in the licensee's or permittee's offices informing applicants for employment of their equal employment rights and their right to notify the Equal Employment Opportunity Commission, the Federal Communications Commission, or other appropriate agency. Where a substantial number of applicants are Spanish-surnamed Americans such notice should be posted in Spanish and English.

(B) Placing a notice in bold type on the employment application informing prospective employees that discrimination because of sex, race, color, religion, or national origin is prohibited and that they may notify the Equal Employment Opportunity Commission, the Federal Communications Commission or other appropriate agency if they believe they have been discriminated against.

(C) Placing employment advertisements in media which have significant circulation among minority-group people in the recruiting area.

(D) Recruiting through schools and colleges with significant minority group enrollments.

(E) Maintaining systematic contacts with minority and human relations organizations, leaders, and spokesmen to encourage referral of qualified minority or female applicants.

(F) Encouraging present employees to refer minority or female applicants.

(G) Making known to the appropriate recruitment sources in the employer's immediate area that qualified minority members are being sought for consideration whenever the licensee hires.

(ii) *To assure nondiscrimination in selection and hiring.* (A) Instructing personally those on the staff of the licensee or permittee who make hiring decisions that all applicants for all jobs are to be considered without discrimination.

(B) Where union agreements exist, cooperating with the union or unions in the development of programs to assure qualified minority persons or females of equal opportunity for employment, and including an effective nondiscrimination clause in new or renegotiated union agreements.

(C) Avoiding use of selection techniques or tests which have the effect of discriminating against minority groups or females.

(iii) *To assure nondiscrimination placement and promotion.* (A) Instructing personally those of the licensee's or permittee's staff who make decisions on placement and promotion that minority employees and females are to be considered without discrimination, and that job areas in which there is little or no minority or female representation should be reviewed to determine whether this results from discrimination.

(B) Giving minority groups and female employees equal opportunity for positions which lead to higher positions. Inquiring as to the interest and skills of all lower-paid employees with respect to any of the higher-paid positions, followed by assistance, counseling, and effective measures to enable employees with interest and potential to qualify themselves for such positions.

(C) Reviewing seniority practices to insure that such practices are nondiscriminatory and do not have a discriminatory effect.

(D) Avoiding use of selection techniques or tests, which have the effect of discriminating against minority groups or females.

(iv) *To assure nondiscrimination in other areas of employment practices.* (A) Examining rates of pay and fringe benefits for present employees with equivalent duties, and adjusting any inequities found.

(B) Providing opportunity to perform overtime work on a basis that does not discriminate against qualified minority groups or female employees.

(d) *Report of complaints filed against licensees and permittees.* (1) All licensees or permittees shall submit an annual report to the FCC no later than May 31st of each year indicating whether any complaints regarding violations by the licensee or permittee or equal employment provisions of Federal, State, Territorial, or local law have been filed before anybody having competent jurisdiction.

(i) The report should state the parties involved, the date filing, the courts or agencies before which the matters have been heard, the appropriate file number (if any), and the respective disposition or current status of any such complaints.

(ii) Any licensee or permittee who has filed such information with the EEOC need not do so with the Commission, if such previous filing is indicated.

(e) *Complaints of violations of Equal Employment Programs.* (1) Complaints alleging employment discrimination against a common carrier licensee will be considered by the Commission in the following manner:

(i) If a complaint raising an issue of discrimination is received against a licensee or permittee who is within the jurisdiction of the EEOC, it will be submitted to that agency. The Commission will maintain a liaison with that agency which will keep the Commission informed of the disposition of complaints filed against any of the common carrier licensees.

(ii) Complaints alleging employment discrimination against a common carrier licensee or permittee who does not fall under the jurisdiction of the EEOC but is covered by appropriate enforceable State law, to which penalties apply, may be submitted by the Commission to the respective State agency.

(iii) Complaints alleging employment discrimination against a common carrier licensee or permittee who does not fall under the jurisdiction of the EEOC or an appropriate State law, will be accorded appropriate treatment by the FCC.

(iv) The Commission will consult with the EEOC on all matters relating to the evaluation and determination of compliance by the common carrier licensees or permittees with the principles of equal employment as set forth herein.

(2) Complaints indicating a general pattern of disregard of equal employment practices which are received against a licensee or permittee who is required to file an employment report to the Commission under § 1.815(a) of this chapter, will be investigated by the Commission.

(f) *Records available to public*—(1) *Commission records.* A copy of every annual employment report, equal employment opportunity program, and reports on complaints regarding violation of equal employment provisions of Federal, State, Territorial, or local law, and copies of all exhibits, letters, and other documents filed as part thereof, all amendments thereto, all correspondence between the permittee or licensee and the Commission pertaining to the reports after they have been filed and all documents incorporated therein by reference, are open for public inspection at the offices of the Commission.

(2) *Records to be maintained locally for public inspection by licensees or permittees*—(i) *Records to be maintained.* Each licensee or permittee required to file annual employment reports, equal employment opportunity programs, and annual reports on complaints regarding violations of equal employment provisions of Federal, State, Territorial, or local law shall maintain, for public inspection, in the same manner and in the same locations as required for the keeping and posting of tariffs as set forth in § 61.72 of this chapter, a file containing a copy of each such report and copies of all exhibits, letters, and other documents filed as part thereto, all correspondence between the permittee or licensee and the Commission pertaining to the reports after they have been filed and all documents incorporated therein by reference.

(ii) *Period of retention.* The documents specified in paragraph (f)(2)(i) of this section shall be maintained for a period of 2 years.

§ 22.308 Incidental communication services.

Licensees authorized to operate in these radio services may also use their facilities to provide other communications services incidental to those specified in the authorization, provided that:

(a) The incidental service does not interfere with the public mobile radio service specified in the authorization;

(b) The costs or charges of subscribers who do not wish to use the other communication service are not increased;

(c) The quality of service does not materially deteriorate, and neither growth nor availability of the licensee's authorized service is diminished beyond a minimal degree;

(d) The provision of the incidental services does not violate and is not otherwise inconsistent with other Commission rules, regulations, and policies; and

(e) The Commission is notified by letter prior to the provision of any incidental communication service. Such notification shall include a general description of the service and an explanation of the technical proposal.

[49 FR 3335, Jan. 26, 1984]

§ 22.309 Representations.

(a) *Duty of disclosure.* All parties shall make full and continuing disclosure as required by § 1.65 of this chapter. No party shall make misrepresentations of any kind.

(b) *Service to the public.* The filing of an application shall be a representation by the applicant that the motivation for the application is the applicant's intention to provide service to the public.

[49 FR 3335, Jan. 26, 1984]

Subpart F—Developmental Authorizations

§ 22.400 Eligibility.

Developmental authorizations may be issued to communications common carriers for experimentation leading to the development of a service regulated by this part.

[49 FR 3335, Jan. 26, 1984]

§ 22.401 Scope of service.

Developmental authorizations may be issued for:

(a) Field strength surveys relative to or precedent to the filing of applications for construction permits, in connection with the selection of suitable locations for stations proposed to be established in any of the regularly established radio services regulated by the rules of this part; or

(b) Development of proposed Domestic Public Radio Services to be governed by the rules and regulations of this part.

[44 FR 60572, Oct. 19, 1979, as amended at 49 FR 3335, Jan. 26, 1984]

§ 22.402 Adherence to program of research and development.

The program of research and development, as stated by an applicant in the application for radio station authorization or license or stated in the instrument of station authorization, shall be substantially adhered to unless the licensee is otherwise authorized by the Commission.

§ 22.403 Special procedure for the development of a new service or for the use of frequencies not in accordance with the provisions of the rules in this part.

(a) An authorization for the development of a new common carrier service not in accordance with the provisions of the rules in this part may be granted for a limited time, but only after the Commission has made a preliminary determination with respect to the factors set forth in this paragraph, as each case may require. This procedure also applies to any application that involves use of a frequency which is not in accordance with the provisions of the rules in this part, although in accordance with the Table of Frequency Allocations contained in Part 2 of this chapter. (An application which involves use of a frequency which is not in accordance with the Table of Frequency Allocations in Part 2 of this chapter should be filed in accordance with the provisions of Part 5 of this chapter, Experimental Radio Services (other than Broadcast).) The factors with respect to which the Commission will make a preliminary determination before acting on an application filed under this paragraph are as follows:

(1) That the public interest, convenience or necessity warrants consideration of the establishment of the proposed service or the use of the proposed frequency;

(2) That the proposed operation appears to warrant consideration to effect a change in the provisions of the rules in this part; and/or

(3) That some operational data should be developed for consideration in any rule making proceeding which may be initiated.

(b) Applications for radio station authorizations for stations which are intended to be used in the development of a proposed service shall be accompanied by a petition to amend the Commission's rules with respect to frequencies and such other items as may be necessary to provide for the regular establishment of the proposed service.

§ 22.404 Terms of grant; general limitations.

(a) Developmental authorizations normally shall be issued for one year, or such shorter term as the Commission may deem appropriate in any particular case, and shall be subject to cancellation without hearing by the Commission at any time upon notice to the licensee.

(b) Where some phases of the developmental program are not covered by the general rules of the Commission or by the rules of this part, the Commission may specify supplemental or additional requirements or conditions in each case as it may deem necessary in the public interest, convenience or necessity.

(c) Frequencies allocated to the service toward which such development is directed will be assigned for developmental operation on the basis that no interference will be caused to the regular services of stations operating in accordance with the Commission's Table of Frequency Allocations (§ 2.106 of this chapter).

(d) The rendition of communication service for hire is not permitted under any developmental authorizations unless specifically authorized by the Commission.

(e) The grant of a developmental authorization carries with it no assurance that the developmental program, if successful, will be authorized on a permanent basis either as to the service involved or the use of the frequencies assigned or any other frequencies.

§ 22.405 Additional application content.

Authorizations for development of a proposed radio service in the Public Mobile Services will be issued only upon a showing that the applicant has a definite program of research and development, which has reasonable promise of substantial contribution to the services authorized by this part. The applicant must make a specific showing as to the factors which the applicant believes qualify him technically to conduct the research and development program, including a description of the nature and extent of engineering facilities which applicant has available for such purpose. The

Commission may, in its discretion, require a showing of financial qualification.

[49 FR 3335, Jan. 26, 1984]

§ 22.406 Developmental report required.

(a) Upon completion of the program of research and development, or, in any event, upon the expiration of the instrument of station authorization under which such investigations were permitted, or at such times during the term of the station authorization as the Commission may deem necessary to evaluate the progress of the developmental program, the licensee shall submit, in duplicate, a comprehensive report on the following items, in the order designated:

(1) Report on the various phases of the project which were investigated.

(2) Total number of hours of operation on each frequency assigned.

(3) Copies of any publication on the project.

(4) A listing of any patents applied for, including copies of any patents issued as a consequence of the activities carried forth under the authorization.

(5) Detailed analysis of the result obtained.

(6) Any other pertinent information.

(b) In addition to the information required by paragraph (a) of this section, the developmental report of a station authorized for the development of a proposed radio service shall include comprehensive information on the following items:

(1) Probable public support and methods of its determination.

(2) Practicability of service operations.

(3) Interference encountered.

(4) Pertinent information relative to merits of the proposed service.

(5) Propagation characteristics of frequencies used, particularly with respect to the service objective.

(6) Frequencies believed to be more suitable and reasons therefor.

(7) Type of signals or communications employed in the experimental work.

(c) Normally, developmental reports will be made a part of the Commission's public records. However, an applicant may request that the Commission withhold from the public certain reports and associated material relative to the accomplishments achieved under developmental authorization, and, if it appears that such information should be withheld, the Commission will so direct.

§ 22.407 Renewal.

(a) Expiring developmental authorizations may be renewed upon (1) the applicant's compliance with the applicable requirements of § 22.406 (a) and (b) relative to the authorization sought to be renewed, and (2) a showing that further progress in the program of research and development requires further radio transmission.

(b) If instead of renewal the licensee requested permanent authorization a Form 489 shall be filed prior to the expiration of the developmental authorization.

[49 FR 3335, Jan. 26, 1984, as amended at 50 FR 32205, Aug. 9, 1985]

Subpart G—Public Land Mobile Service

§ 22.500 Eligibility.

(a) Base stations and auxiliary test stations may be licensed to communications common carriers.

(b) Airborne mobile stations (or "air/ground stations") may be licensed to the individual user.

(c) Other mobile stations are licensed as part of base stations authorizations.

[49 FR 3336, Jan. 26, 1984]

§ 22.501 Frequencies.

The following frequencies are available to the Public Mobile Service for the use set forth in this section.

(a)(1) For assignment, subject to the limitations in paragraphs (a)(2) and (a)(3) of this section, to stations of communication common carriers for use exclusively in providing a one-way paging service:

MHz	MHz
35.26	35.46
35.30	35.50
35.34	35.54

MHz	MHz
35.38	35.62
35.42	35.66

(2) *Maximum effective radiated power* (e.r.p.). The e.r.p. reduction table below applies if there are any two-way stations between 1190 and 2360 kilometers from the proposed paging station. In such cases, maximum e.r.p. must be reduced below 500 watts as provided in the table below. Distances for this subsection shall be computed in accordance with the Third Method of FCC Report R6501 (Distance, Bearing and Intersection Computer Program). Values not found in the table may be determined by linear interpolation. The e.r.p. must be reduced over an arc of 15 degrees either side of the co-channel radial to the two-way station(s).

The general antenna-height power limits of § 22.505 also apply.

Distance in Km	Reduction in dB	Distance in Km	Reduction in dB
1,190	0.00	1,750	10.00
1,200	0.54	1,850	10.00
1,225	1.72	1,875	9.51
1,250	2.69	1,900	9.12
1,275	3.50	1,925	8.83
1,300	4.16	1,950	8.60
1,325	4.72	1,975	8.41
1,350	5.20	2,000	8.25
1,375	5.64	2,025	8.09
1,400	6.08	2,050	7.90
1,425	6.67	2,075	7.67
1,450	7.20	2,100	7.37
1,475	7.67	2,125	7.16
1,500	8.09	2,150	6.79
1,525	8.46	2,175	6.28
1,550	8.78	2,200	5.66
1,575	9.05	2,225	4.94
1,600	9.28	2,250	4.13
1,625	9.47	2,275	3.26
1,650	9.62	2,300	2.33
1,675	9.73	2,325	1.37
1,700	9.81	2,350	0.40
1,725	9.86	2,360	0.00

(3) *Co-channel statement required.* The application shall explicitly state whether or not there are any existing co-channel two-way facilities between 1190 and 2360 kilometers from the proposed station. If so, applicants shall furnish the following information:

(i) Name(s), call sign(s), and coordinates of the two-way licensee(s);

(ii) Distance in kilometers between the proposed paging station and the two-way station(s); and

(iii) E.r.p. of the proposed paging station in accordance with paragraph (a)(2) of this section.

(4) For assignment, subject to the limitation in paragraph (a)(5) of this section, to stations of communication common carriers for use exclusively in providing a one-way paging service:

MHz	MHz
43.26	43.46
43.30	43.50
43.34	43.54
43.38	43.62
43.42	43.66

(5) 43 MHz applications (Interference study required).

(i) Applicants which request 43 MHz applications listed in paragraph (a)(4) shall explicitly state whether or not there are any existing co-channel two-way facilities within 125 miles (201 km) of the proposed paging station and shall include an engineering study of the potential interference to these two-way stations. The predicted undesired field strength at the existing base station antenna shall not exceed 14 dB above one microvolt per meter. The predicted value shall be calculated by the Bullington method (Kenneth Bullington, "Radio Propagation at frequencies above 30 Megacycles", Proceedings of the I.R.E., October, 1947). Applicants may assume that the two-way base station receiving antenna is the same as that of the base transmitting antenna as filed with the Commission.

(ii) Due to interference potential the frequencies listed in paragraph (a)(4) will only be granted on a developmental basis for two years subject to the provisions of § 22.404 (a) and (c). The provisions of § 22.404(d) are waived to permit licensees to offer service for hire. Licensees shall inform customers that service on these channels is developmental and therefore subject to cancellation at any time. When construction is completed a Form 489 shall be filed. Prior to the expiration of the developmental authorization a Form 489 shall be filed to request permanent authorization.

(iii) In accordance with § 22.406 semi-annual surveys of possible interference with television and video recorder reception in the geographic area within a two-mile radius of the base station(s) authorized herein shall be made during the first year of operation. For each survey, a different sample of at least 25 television viewers distributed approximately evenly throughout the geographic area described above shall be contacted to determine whether they have experienced TV or video recorder interference. The data should not be distorted by surveying few or no viewers within the geographic area proximate to the antenna. Therefore, for each report, the 25 television viewers geographically nearest the base station who have not previously been surveyed, shall be surveyed. In the event that all viewers within two miles have been surveyed, TV viewers shall be surveyed again, starting with those nearest the base station. If interference complaints are received either as a result of the interviews or in the normal course of business, the licensee shall determine the source and extent of such interference. The licensee shall promptly report all interference complaints and act to correct any problems, or follow official instructions.

(iv) The licensee shall submit a written report soon after the completion of each reporting period, fully evaluating the continued existence of interference. Quarterly reports shall include but shall not be limited to the following information:

(A) Call sign.

(B) Authorization file number.

(C) Site location number.

(D) No. of report (1 to 4).

(E) Survey date(s).

(F) Method (telephone/on-site/other).

(G) Names, addresses and telephone numbers of persons contacted.

(H) Time of day survey conducted (morning/ afternoon/night).

(I) Technical solutions tested and results.

(J) Names and telephone numbers of technical representatives consulted and/or employed.

(b) The following base and mobile channel frequencies may be assigned on a paired basis to communications common carriers for the following services:

(1) Any two-way public land mobile service;

(2) Any one-way public land mobile service;

(3) Control or repeater stations or other point-to-point common carrier functions.

All use must conform to the interference, bandwidth and emissions standards of this Part for these frequencies.

Base station frequencies (MHz)—	Mobile dispatch, and auxiliary test station frequencies (MHz)
152.03	158.49
152.06	158.52
152.09	158.55
152.12	158.58
152.15	158.61
152.18	158.64
152.21	158.67
152.51*	157.77*
152.54*	157.80*
152.57*	157.83*
152.60*	157.86*
152.63*	157.89*
152.66*	157.92*
152.69*	157.95*
152.72*	157.98*
152.75*	158.01*
152.78*	158.04*
152.81*	158.07*
454.025	459.025
454.050	459.050
454.075	459.075
454.100	459.10
454.125	459.12
454.150	459.15
454.175	459.17
454.200	459.20
454.225	459.22
454.250	459.25
454.275	459.27
454.300	459.30
454.325	459.32
454.350	459.35
454.375*	459.37
454.400*	459.40
454.425*	459.42
454.450*	459.45
454.475*	459.47
454.500*	459.50
454.525*	459.52
454.550*	459.55
454.575*	459.57
454.600*	459.60
454.625*	459.62
454.650*	459.6

(c) All applicants who apply for frequencies listed in (b) with an asterisk must provide rural radio service when requested in addition to any other service that they will provide.

Base station frequencies (MHz)	Mobile, dispatch, and auxiliary test station frequencies (MHz)
152.03	158.49
152.06	158.52
152.09	158.55
152.12	158.58
152.15	158.61
152.18	158.64
152.21	158.67
454.025	459.025
454.050	459.050
454.075	459.075
454.100	459.100
454.125	459.125
454.150	459.150
454.175	459.175
454.200	459.200
454.225	459.225
454.250	459.250
454.275	459.275
454.300	459.300
454.325	459.325
454.350	459.350

(d) For assignment to base stations of communication common carriers for use exclusively in providing a one-way paging service.

MHz	MHz
35.20	43.20
35.22	43.22
35.24	43.24
35.56	43.56
35.58	43.58
35.60	43.60

Whenever feasible, the frequencies 35.22 MHz, 35.24 MHz, 35.56 MHz, 35.58 MHz and 35.60 MHz shall be assigned for use in any area prior to assignment of the frequencies 35.20 MHz, 43.20 MHz, 43.22 MHz, 43.24 MHz, 43.56 MHz, 43.58 MHz and 43.60 MHz. The frequencies 43.20, 43.22, 43.24, 43.56, 43.58 and 43.60 shall be granted on a developmental basis and subject to the same interference reporting conditions specified in § 22.501(a)(5)(ii) to § 22.501(a)(5)(iv).

(e) On a shared basis with fixed stations in the Point-to-Point Microwave Radio Service, frequencies in the bands 2110-2130 MHz and 2160-2180 MHz may be authorized for use by control and repeater stations functioning in conjunction with the Public Land Mobile Service. The emission band-width shall be limited to the minimum necessary to serve the purpose required, including the applicant's future growth plans. No new assignments will be made in the 2160-2162 MHz for stations located within 50 miles of the coordinates of the sites listed in § 21.901(c), except upon a showing that no alternative frequencies are available. Channel bandwidths in excess of 800 kHz will not be authorized. In each of these bands, the highest frequency which would not cause harmful interference to any other stations shall be assigned.

(f) 72-76 *MHz band.* The following frequencies are available for assignment to public land mobile control and repeater stations on a shared basis with certain other radio services. A repeater station normally will not be authorized unless the public land mobile system with which it is associated is continuously open for public correspondence.

(1) *Protection to television on channels 4 and 5.* (i) Between 10 and 80 miles. If an applicant proposes to locate a 72-76 MHz band fixed station between 10 and 80 miles from the site of any television transmitter operating on channel 4 or 5, the applicant must agree to eliminate any harmful interference which such operations may cause to television reception on either channel 4 or 5. If the interference cannot be eliminated within 90 days of the time the matter is first brought to the licensee's attention by the Commission, operation of the interfering fixed station shall be immediately discounted.

(ii) Less than 10 miles. Applications for use of 72-76 MHz band frequencies less than 10 miles from Channel 4 or 5 television stations will be granted developmental authority pursuant to § 22.400 *et seq.* After successful developmental testing an application for a radio station authorization must follow the requirements of § 22.501(f)(1)(i). Where the proposed transmitter is co-located with the television transmitter the application will be processed according to the 10-80 mile standard. Applicants must identify by call sign, all channel 4 and 5 stations within 10 miles of the proposed transmitter sites.

(2) *Power*. Effective Radiated Power shall not exceed 150 watts.

72–76 MHz Band [1]

MHz	MHz
72.02	72.80
72.04	72.82
72.06	72.84
72.08	72.86
72.10	72.88
72.12	72.90
72.14	72.92
72.16	72.94
72.18	72.96
72.20	72.98
72.22	75.42
72.24	75.46
72.26	75.50
72.28	75.54
72.30	75.58
72.32	75.62
72.34	75.64
72.36	75.66
72.38	75.68
72.40	75.70
72.42	75.72
72.46	75.74
72.50	75.76
72.54	75.78
72.58	75.80
72.62	75.82
72.64	75.84
72.66	75.86
72.68	75.88
72.70	75.90
72.72	75.92
72.74	75.94
72.76	75.96
72.78	75.98

[1] Existing stations authorized in the 73–74.6 MHz band as of December 1, 1961, may continue to operate, are not required to afford protection to the radio astronomy service and must comply with the following technical specifications:

Frequency Tolerance: .005 percent.
Frequency Deviation: ±15 KHz.
Authorized Bandwidth: 40 KHz.
Modulation Limiter: Required.
Audio Low Pass Filter: Not Required.

(g)(1) The frequencies listed in this paragraph are available to control stations utilized within a multiple address system that requires the use of at least four simultaneously operated remote base stations operated on the same frequency assignment. These frequencies will be assigned only when there are four or more remote sites listed on the application for license. The frequencies may be used in paired or unpaired configurations. When paired, the higher frequency will be used by the control/relay station, and the lower frequency will be used by the control station.

890-960 MHz Band [1][2]

928.8625	959.8625
928.8875	959.8875
928.9125	959.9125
928.9375	959.9375
928.9625	959.9625
928.9875	959.9875
932.00625	941.00625
932.01875	941.01875
932.03125	941.03125
932.04375	941.04375
932.05625	941.05625
932.06875	941.06875
932.08125	941.08125
932.09375	941.09375
932.10625	941.10625
932.11875	941.11875
932.13125	941.13125
932.14375	941.14375
932.15625	941.15625
932.16875	941.16875
932.18125	941.18125
932.19375	941.19375
932.20625	941.20625
932.21875	941.21875
932.23125	941.23125
932.24375	941.24375
932.25625	941.25625
932.26875	941.26875
932.28125	941.28125
932.29375	941.29375
932.30625	941.30625
932.31875	941.31875
932.33125	941.33125
932.34375	941.34375
932.35625	941.35625
932.36875	941.36875
932.38125	941.38125
932.39375	941.39375
932.40625	941.40625
932.41875	941.41875
932.43125	941.43125
932.44375	941.44375
932.45625	941.45625
932.46875	941.46875
932.48125	941.48125
932.49375	941.49375

[1] Except as indicated above, new control and repeater stations will not be authorized in the 890-940 MHz band. However, stations which were authorized to operate on such frequencies on April 16, 1958, may be granted renewed licenses subject to the following conditions:

Operations shall not be protected against any interference received from the emission of industrial, scientific and medical equipment operating on 915 MHz or from the emission of radiolocation stations in the 890-942 MHz band.

No harmful interference shall be caused to stations operating in the radiolocation service in the 890-942 MHz band.

[9] The paired frequencies between 932-932.5 and 941-941.5 are shared with Government fixed stations and stations in the Private Operational-Fixed Microwave Service (Part 94).

(2) Upon an affirmative showing that frequencies shown in § 22.501(g)(1) of this part are not available, frequencies listed in Tables 1 and 2 of § 94.65(a)(1) of this chapter (Private Operational-Fixed Microwave Service) may be authorized for common carrier point-to-multipoint operations. After January 1, 1992, frequencies available in Tables 3 and 4 of § 94.65(a)(1) of this chapter also may be used for such operations. Operations on any of these frequencies shall be subject to the requirements of Part 94 of this chapter.

(3) The assignment of frequencies operating in the 932-932.5/941-941.5 MHz bands, and the reassignment of frequencies operating in the 928.8625-928.9875/959.8625-959.9875 MHz bands will be governed by the following criteria:

(i) The separation between co-channel control stations shall be 70 miles.

(ii) Exceptions to the geographic separation standard in paragraph (g)(3)(i) of this section will be approved only if an engineering analysis is submitted that shows conclusively that no interference will be caused to either system. In this case a developmental authorization will be issued for one year. If no interference is experienced during this period, the licensee may submit an application for a permanent authorization.

(4) Stations in multiple address systems on the 952-960 MHz channels will not be authorized to use an effective radiated power exceeding 150 watts. Stations in multiple address systems on the 928-929 MHz channels will not be authorized to use an effective radiated power exceeding 50 watts.

(5) Stations in multiple address systems on the 941-941.5 MHz channels will not be authorized to use effective radiated power exceeding 600 watts. Stations in multiple address systems on the 932-932.5 MHz channels will not be authorized to use effective radiated power exceeding 30 watts.

(h) *150 MHz band (paging).* The following frequencies may be used exclusively in providing paging.

152.24 MHz
152.84 MHz
158.10 MHz
158.70 MHz

(i) *450 MHz band (control, repeater).*

(1) The frequencies in this paragraph may be assigned for use for control or repeater stations. Series operation of more than one control or repeater station is not permitted.

Control station frequencies MHz	Repeater station frequencies (MHz)
454.025	459.025
454.050	459.050
454.075	459.075
454.100	459.100
454.125	459.125
454.150	459.150
454.175	459.175
454.200	459.200
454.225	459.225
454.250	459.250
454.275	459.275
454.300	459.300
454.325	459.325
454.350	459.350
454.375	459.375
454.400	459.400
454.425	459.425
454.450	459.450
454.475	459.475
454.500	459.500
454.525	459.525
454.550	459.550
454.575	459.575
454.600	459.600
454.625	459.625
454.650	459.650

(2) *Power.* Effective radiated power shall not exceed 150 watts.

(3) *Interference, secondary basis.* The use of the frequencies by a control or repeater station shall not cause harmful interference to any other station authorized to use such frequencies and shall be on a secondary basis to the provision of mobile and rural radio service by other classes of stations.

(j) The channels below are assigned for common carrier trunked base-to-mobile communications within the listed urban areas.

Boston—Group 1:

470.0125	482.0125
470.0375	482.0375
470.0625	482.0625
470.0875	482.0875

Dallas-Fort Worth

482.0125	485.0125
482.0375	485.0375
482.0625	485.0625

Houston

488.0125	491.0125
488.0375	491.0375
488.0625	491.0625
488.0875	491.0875
488.1125	491.1125
488.1375	491.1375
488.1625	491.1625
488.1875	491.1875
488.2125	491.2125
488.2375	491.2375
488.2625	491.2625

Los Angeles—Group 1:

506.0125	470.0125
506.0375	470.0375

Group 2:

509.0125	473.0125
509.0375	473.0375

San Francisco—Group 1:

488.0125	482.0125

(1) Only those licensees presently authorized in each market are permitted to file for additional use of these channels.

(2) Channel usage reports are to be submitted as set forth in paragraph (j)(8) of this part. When channel blocking decreases below 25%, the Commission will reassign the channels which are not needed to maintain blocking at 25% or less. The number of channels necessary to maintain blocking below 25% will be determined from the usage reports & Erland C tables.

(3) The transmitter site(s) for base station(s) shall be located not more than 50 miles from the geographic center of an urbanized area as defined in table A.

(4) Mobile stations shall be operated not more than 80 miles from the "Geographic Center" of an urbanized area as defined in table A of this Section, nor beyond a 30-mile radii of the associated base station or stations.

(5) Base stations operating on the frequencies available for land mobile use in any listed urbanized area shall afford protection to co-channel and adjacent channel television stations in accordance with the values set out in tables B and C, of this section.

(i) Base stations shall be located a minimum of one mile from local television stations operating on TV channels separated by 2, 3, 4, 5, 7, and 8 TV channels from the television channel in which the base station will operate.

(ii) Mobile units operating on the frequencies available for land mobile use in any given urbanized area shall afford protection to co-channel and adjacent channel television stations in accordance with the values set out in tables D and G of this section.

(iii) The television stations to be protected in any given urbanized area, in accordance with the provisions of paragraph (j)(5)(i) and (ii) of this section, are identified in the Commission's publication "TV Stations To Be Considered in The Preparation of Applications for Land Mobile Facilities in the Band 470-512 MHz." The publication is available at the offices of the Federal Communications Commission at Washington, DC or upon the request of interested persons.

(6) For antenna heights between 500 feet and 3,000 feet above average terrain the effective radiated power must be reduced below 1 kilowatt in accordance with the values shown in the power reduction graph in figure A of this section. For heights of more than 500 feet above average terrain, the distance to the radio path horizon will be calculated assuming smooth earth. If the distance so determined equals or exceeds the distance to the grade B contour of a co-channel TV station, an authorization will not be granted unless it can be shown that actual terrain considerations are such as to provide the desired protection at the grade B contour, or that the effective radiated power will be further reduced so that, assuming free space attenuation, the desired protection at the grade B contour will be achieved.

(7) Applicants for base stations in the Miami, Fla., urbanized area may, in lieu of calculating the height of average terrain, use 10 feet as average terrain height.

(l) Tables and Figures:

TABLE A (URBANIZED AREAS)

Urbanized area	Geographic center	
	N. latitude	W. longitude
Boston, Mass	42°21′24″	71°03′24″
Dallas, Tex	32°47′09″	96°47′37″
Houston, Tex	29°45′26″	95°21′37″
Los Angeles, Calif	34°03′15″	118°14′28″
San Francisco-Oakland, Calif	37°46′39″	122°24′40″

TABLE B—BASE STATION—COCHANNEL FREQUENCIES

(50 dB Protection)

MAXIMUM EFFECTIVE RADIATED POWER (ERP)

	Distance in miles	Antenna height in feet (AAT)[1]										
		50	100	150	200	250	300	350	400	450	500	
At this distance from transmitter site of protected UHF television station →	162	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	The effective radiated power (ERP)* and antenna height above average terrain (AAT) shall not exceed the values given in the table. ←
	160	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000		
	155	1,000	1,000	1,000	1,000	1,000					900	
	150	1,000	1,000				875	775	700	625	575	
	145			950	775	725	625	550	500	450	400	
	140	850	790	650	575	500	440	400	350	320	300	
	135	600	575	465	400	350	300	275	250	230	235	
	130	450	400	335	300	255	240	200	185	165	150	
	125	350	300	245	200	185	160	145	125	120	100	
	120	225	200	170	150	125	110	100	90	80	75	
		175	150	165	105	90	80	70	60	55	50	

*Power levels listed in table are given in watts.

NOTE: To determine the maximum permissible effective radiated power:

(1) Using the method specified in § 73.611 or charts or maps of suitable scale, determine the distance between the proposed land mobile base station and the protected cochannel television station. If the exact mileage does not appear in Table B, the next lower mileage separation figure is to be used.

(2) Entering the table at the mileage figure found in paragraph (1) of this note, find opposite, a selection of powers that may be used for antenna heights ranging from 50 to 500 feet (AAT). If the exact antenna height proposed for the land mobile base station does not appear in Table B, use the power figure beneath the next greater antenna height.

(3) If the power found to be permitted following this procedure is lower than that determined hereafter from Table C, this lower figure is the maximum power that may be employed at the proposed land mobile base station.

[1] In determining the average elevation of the terrain, the elevations between 2 and 10 miles from the antenna site are employed. Profile graphs shall be drawn for eight radials beginning at the antenna site and extending 10 miles therefrom. The radials should be drawn for each 45° of azimuth starting with true north. At least one radial should be constructed in the direction of the nearest cochannel and adjacent channel UHF television stations. The profile graph for each radial shall be plotted by contour intervals of from 100 feet and, where the data permits, at least 50 points of elevation (generally uniformly spaced) should be used for each radial. For very rugged terrain 200 to 400 feet contour intervals may be used. Where the terrain is uniform or gently sloping, the smallest contour interval indicated on the topographic map may be used. The average elevation of the 8-mile distance between 2 and 10 miles from the antenna site should be determined from the profile graph for each radial. This may be obtained by averaging a large number of equally spaced points, by using a planimeter, or by obtaining the median elevation (that exceeded by 50 percent of the distance) in sectors and averaging those values. In the preparation of the profile graphs the elevation or contour intervals shall be taken from U.S. Geological Survey Topographic Quadrangle Maps, U.S. Armp Corps of Engineers Maps, or Tennessee Valley Authority Maps, whichever are the latest. If such maps are not published for the area in question, the next best topographic information should be used.

TABLE C—BASE STATION—ADJACENT CHANNEL FREQUENCIES

MAXIMUM EFFECTIVE RADIATED POWER (ERP)

	Distance in miles	Antenna height in feet (AAT)[1]										
		50	100	150	200	250	300	350	400	450	500	
At this distance from transmitter site of protected UHF television station →	67	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	The effective radiated power (ERP)* and antenna height above average terrain (AAT) shall not exceed the values given in the ← table.
	66	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	750	
	65	1,000	1,000	1,000	1,000	1,000	1,000	1,000	825	650	600	
	64	1,000	1,000	1,000	1,000	1,000	1,000	775	625	500	400	
	63	1,000	1,000	1,000	1,000	1,000	650	450	325	325	225	
	62	1,000	1,000	1,000	1,000	525	375	250	200	150	125	
	61	1,000	1,000	700	450	250	200	125	100	75	50	
	60	1,000	1,000	425	225	125	100	75	50			

*Power levels listed in table are given in watts.

NOTE: To determine the maximum permissible effective radiated power:

(1) Using the method specified in § 73.611 or charts or maps of suitable scale, determine the distance between the proposed land mobile base station and the protected cochannel television station. If the exact mileage does not appear in Table C, the next lower mileage separation figure is to be used.

(2) Entering the table at the mileage figure found in paragraph (1) of this note, find opposite, a selection of powers that may be used for antenna heights ranging from 50 to 500 feet (AAT). If the exact antenna height proposed for the land mobile base station does not appear in Table C, use the power figure beneath the next greater antenna height.

(3) If the power found to be permitted following this procedure is lower than that determined heretofore from Table F or B, this lower figure is the maximum power that may be employed at the proposed land mobile base station.

[1] In determining the average elevation of the terrain, the elevations between 2 and 10 miles from the antenna site are employed. Profile graphs shall be drawn for eight radials beginning at the antenna site and extending 10 miles therefrom. The radials should be drawn for each 45° of azimuth starting with true north. At least one radial should be constructed in the direction of the nearest cochannel and adjacent channel UHF television stations. The profile graph for each radial shall be plotted by contour intervals of from 100 feet and, where the data permits, at least 50 points of elevation (generally uniformly spaced) should be used for each radial. For very rugged terrain 200 to 400 feet contour intervals may be used. Where the terrain is uniform or gently sloping, the smallest contour interval indicated on the topographic map may be used. The average elevation of the 8-mile distance between 2 and 10 miles from the antenna site should be determined from the profile graph for each radial. This may be obtained by averaging a large number of equally spaced points, by using a planimeter, or by obtaining the median elevation (that exceded by 50 percent of the distance) in sectors and averaging those values. In the preparation of the profile graphs the elevation or contour intervals shall be taken from U.S. Geological Survey Topographic Quadrangle Maps, U.S. Armp Corps of Engineers Maps, or Tennessee Valley Authority Maps, whichever are the latest. If such maps are not published for the area in question, the next best topographic information should be used.

TABLE D—DISTANCE BETWEEN ASSOCIATED BASE STATION AND PROTECTED COCHANNEL TV STATION WHERE MOBILE OPERATES IN THE SAME TELEVISION CHANNEL

(50 dB Protection)

Effective radiated power (watts) of mobile unit	Distance (miles)
60	140
50	135
25	125
10	117
5	112

TABLE E—[RESERVED]

TABLE F—BASE STATION—COCHANNEL FREQUENCIES

(40 dB Protection)

MAXIMUM EFFECTIVE RADIATED POWER (ERP)

	Distance in miles	Antenna height in feet (AAT)[1]										
		50	100	150	200	250	300	350	400	450	500	
At this distance from transmitter site of protected UHF television station →	130	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	The effective radiated power (ERP)* and antenna height above average terrain (AAT) shall not exceed the values given in the table. ←
	125	1,000	1,000	1,000	1,000	1,000	1,000	1,000				
	120	1,000	1,000	1,000	1,000				850	750	725	
	115	1,000	1,000			900	750	675	600	550	500	
	110			800	725	600	525	475	425	375	350	
	105	850	700	600	500	425	375	325	300	275	225	
	100	600	475	400	325	275	250	225	200	175	150	
	95	400	325	275	225	175	150	140	125	110	100	
	90	275	225	175	125	110	95	80	70	60	50	
		175	125	100	75	50						

*Power levels listed in table are given in watts.

NOTE: To determine the maximum permissible effective radiated power:

(1) Using the method specified in § 73.611 or charts or maps of suitable scale, determine the distance between the proposed land mobile base station and the protected cochannel television station. If the exact mileage does not appear in Table B, the next lower mileage separation figure is to be used.

(2) Entering the table at the mileage figure found in paragraph (1) of this note, find opposite, a selection of powers that may be used for antenna heights ranging from 50 to 500 feet (AAT). If the exact antenna height proposed for the land mobile base station does not appear in Table B, use the power figure beneath the next greater antenna height.

(3) If the power found to be permitted following this procedure is lower than that determined hereafter from Table C, this lower figure is the maximum power that may be employed at the proposed land mobile base station.

[1] In determining the average elevation of the terrain, the elevations between 2 and 10 miles from the antenna site are employed. Profile graphs shall be drawn for eight radials beginning at the antenna site and extending 10 miles therefrom. The radials should be drawn for each 45° of azimuth starting with true north. At least one radial should be constructed in the direction of the nearest cochannel and adjacent channel UHF television stations. The profile graph for each radial shall be plotted by contour intervals of from 100 feet and, where the data permits, at least 50 points of elevation (generally uniformly spaced) should be used for each radial. For very rugged terrain 200 to 400 feet contour intervals may be used. Where the terrain is uniform or gently sloping, the smallest contour interval indicated on the topographic map may be used. The average elevation of the 8-mile distance between 2 and 10 miles from the antenna site should be determined from the profile graph for each radial. This may be obtained by averaging a large number of equally spaced points, by using a planimeter, or by obtaining the median elevation (that exceded by 50 percent of the distance) in sectors and averaging those values. In the preparation of the profile graphs the elevation or contour intervals shall be taken from U.S. Geological Survey Topographic Quadrangle Maps, U.S. Army Corps of Engineers Maps, or Tennessee Valley Authority Maps, whichever are the latest. If such maps are not published for the area in question, the next best topographic information should be used.

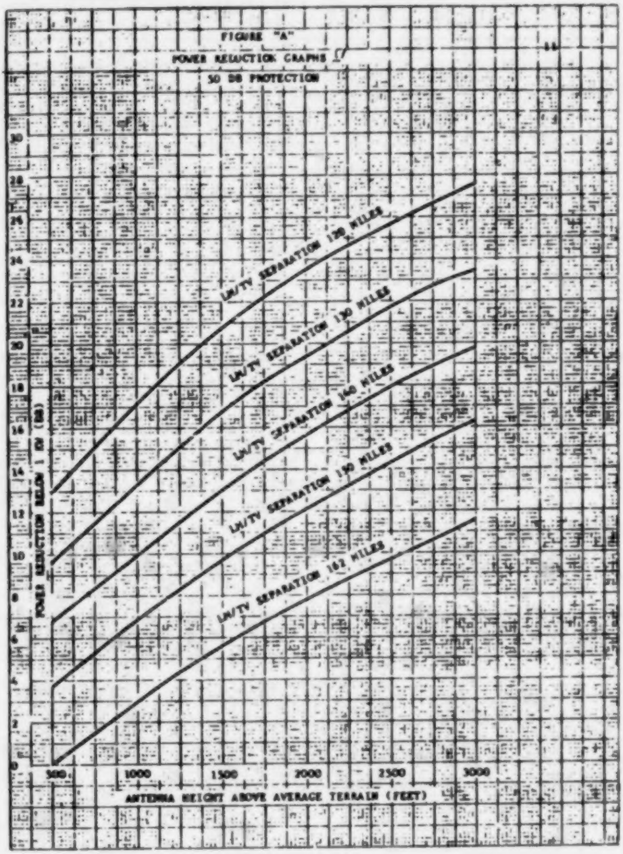
TABLE G—DISTANCE IN MILES BETWEEN ASSOCIATED LAND MOBILE BASE STATION AND PROTECTED ADJACENT CHANNEL TELEVISION STATION WHERE MOBILE OPERATES IN ADJACENT TELEVISION CHANNEL

[0,0 dB Protection]

Effective radiated power (watts) of mobile unit	Distance (miles)
60	90
50	90
25	90
10	90
5	90

TABLE H—DECIBEL REDUCTION/POWER EQUIVALENTS

Decibel reduction below 1 kW	E.R.P. permitted (figures rounded)
1	795
2	630
3	500
4	400
5	345
6	250
7	200
8	160
9	125
10	100
11	80
12	65
13	50
14	40
15	30
16	25
17	20
18	15
19	12
20	10
21	8
22	6
23	5
24	4
25	3
26	2.5
27	2
28	1.5
29	1.25
30	1



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[1] Directions for using this graph.

1. Determine antenna height above average terrain.

2. Locate this value on the antenna height axis.

3. Determine the separation between the LM antenna site and the nearest protected co-channel TV station.

4. Draw a vertical line to intersect the LM/TV separation curve at the distance determined in step 3 above. For distances not shown on the graph, use linear interpolation.

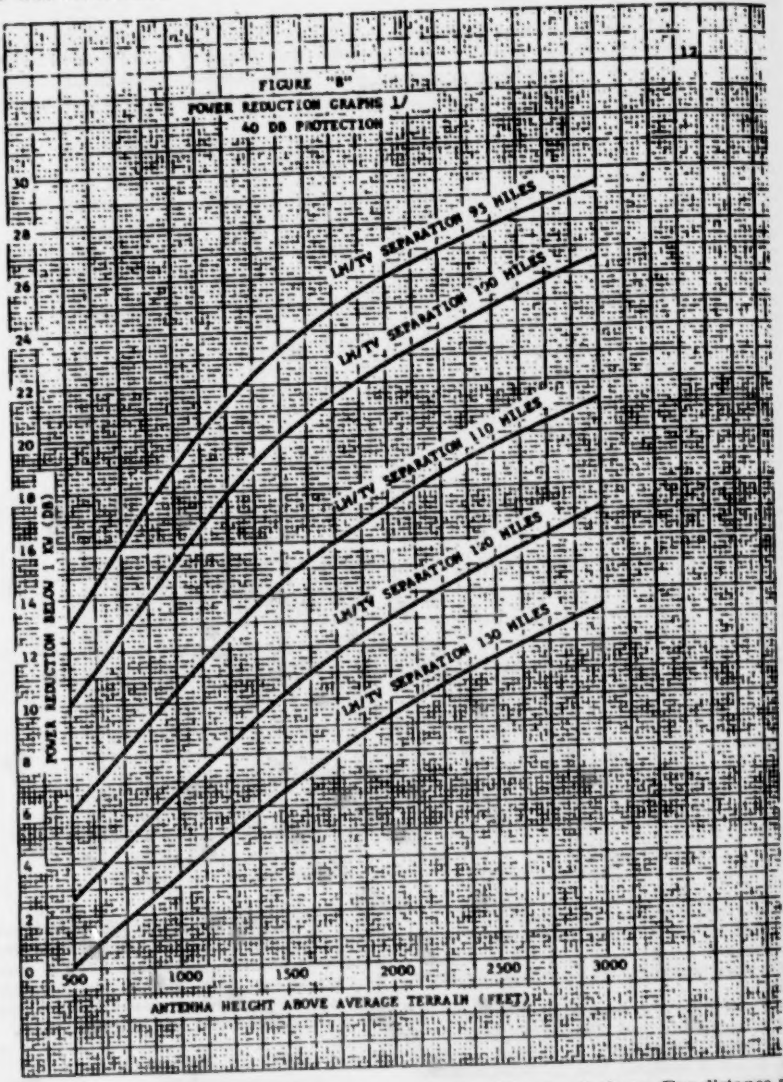
5. From the intersection of the LM/TV separation curve, draw a horizontal line to the power reduction scale.

6. The power reduction in dB determines the reduction below 1 kW that must be achieved.

7. See Table H for dB/power equivalents.

[2] For stations in the Los Angeles urbanized area with antenna elevations 1,500 or more feet above sea level, the maximum authorized effective radiated power (ERP), shall be in accordance with the following table:

Antennas height (ASL) (feet)	Power (ERP)
1,500 to 2,000	155 W.
2,001 to 2,500	100 W.
2,501 to 3,000	70 W.
3,001 to 3,500	50 W.
3,501 to 4,000	40 W.
4,001 to 4,500	30 W.
4,501 and above	25 W.



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[1] Directions for using this graph.

1. Determine antenna height above average terrain.

2. Locate this value on the antenna height axis.

3. Determine the separation between the LM antenna site and the nearest protected co-channel TV station.

4. Draw a vertical line to intersect the LM/TV separation surve at the distance determined in step 3 above. For distance no shown on the graph, use linear interpolation.

5. From the intersection of the LM/TV separation curve draw a horizontal line to the power reduction scale.

6. The power reduction in dB determines the reduction below lkW that must be achieved.

7. See Table H for dB/power equivalents.

(ii) Upon prior coordination with the Broadcast Bureau, departures from the separation distances shown in the tables of this section may be authorized upon a specific engineering showing by an applicant that the protection ratios specified (i.e. 50, 40 or 0.0 dB as may be applicable) will be afforded to the protected television station(s) by the applicant's proposed facilities.

(8) These frequencies are to be employed solely for providing land mobile communication services. Signaling communications will be authorized only when employed for the purposes of establishing and maintaining mobile communications and to "mark" a busy channel in order to prevent interference between two or more licensees.

(9) Assignment of frequencies will be made from pairs listed within a single 12-channel group and, in the event of assignment to more than one applicant, will be available only on a cooperative shared basis. In this event, each licensee will be granted exclusive use of a channel only when the channel is idle and then only for the duration of a call or call attempt, after which the channel must be relinquished.

(10) Each applicant shall submit to the Commission copies of agreements, if any, and system diagrams and plans illustrating how interference-free operation will be accomplished. All submitted agreements, diagrams, and plans must contain as a minimum the provisions specified in paragraph (j)(10)(iii) of this section, and in the case of more than one applicant the provisions specified paragraph (j)(10)(iv) of this section. Paragraphs (j)(10)(i) and (ii) of this section shall be applicable where in ps paragraph more than one method of technical operation is proposed for the same block of frequencies in the same urbanized area.

(i) A means whereby a base station transmitter will be prevented from being keyed when the frequency is in use by any other base station in the area. If this is to be accomplished by off-the-air monitoring of base station transmit frequencies, then each base station must be equipped with a receiver monitoring base station frequencies which is colocated with the base station transmitter and interconnected with the transmitter in such a way that it is impossible to key the associated transmitter upon detection of a signal by the receiver.

(ii) A means to insure rapid selective calling and station identification. Selective calling will be permitted on any channel in a group but may only take place on one channel at a time by any one licensee, and only on idle channels. No more than one (1) second of channel time may be employed for each call attempt, and no more than three (3) attempts are to be made during a one (1) minute period. High-speed signaling must be used for selective calling and station identification. Each identification code must provide at least 6 decimal digits of unique code capacity. Calling and identification shall take no more than 500 milliseconds at either base or mobile from the time the transmitter has reached 90 percent power output, and the time needed to reach this output should not exceed 50 milliseconds. Likewise, receiver squelch circuits should be fully opened within 10 milliseconds from detection of carrier above threshold.

(iii) A means whereby it will be impossible for the operator of a mobile unit to key his transmitter in such a way as to cause harmful interference or to obstruct the communications of other stations. Each mobile unit shall be so configured as to provide automatic station identification when initiating a request for service; that such request can only be transmitted on an idle channel, and further, that it shall be impossible to activate the mobile transmitter for voice communication unless the mobile unit has received an enabling signal from a base station in response to its request for service.

(iv) A means whereby the total number of mobile units, as determined in subsection 10, operating within a metropolitan area on a 12-channel group of frequency pairs, as listed in 22.501(k), does not exceed the total authorized number of mobile units.

(11) Notwithstanding other provisions of this part, applications for any of the frequencies listed in § 22.501(k)

of this part, hereof will be processed under the following procedure.

(i) All applicants who file within 60 days after the public notice date of the first application that requests assignment of a particular 12-channel group of frequency pairs substantially in the same metropolitan area for which the first application is submitted (hereinafter known as the "initial 60-day filing period") shall be jointly responsible for compliance with § 22.501(j)(10). The method of compliance must be agreed upon within 60 days of the completion of the initial 60 day filing period (hereinafter known as the "coordination period").

(ii) If compliance with § 22.501(j)(10) is not achieved by unanimous agreement before the termination of the coordination period, then each applicant who filed during the initial 60-day filing period shall submit to the Commission whatever agreements have been reached.

(iii) The Chief, common Carrier Bureau shall examine the agreements discussed in paragraph (j)(11)(ii) of this section to determine whether a plurality agreement exists. (in ascertaining a plurality, each party in a prearranged consortium shall be counted as a separate party.) The plurality shall be announced by public notice, and all parties shall be given 30 days to file comments on the technical method of operation specified in the plurality agreement.

(iv) Once all comments and replies have been filed, the Chief, Common Carrier Bureau shall make a determination as to whether the proposal is acceptable, that is, whether it is nondiscriminatory, satisfies the public interest in other respects, and is in compliance with the Commission's Rules, in particular § 22.501(k) and (j).

(v) If the plurality proposal is found to be acceptable, the Chief, Common Carrier Bureau shall approve the proposal, and all other applicants shall be given an opportunity to conform their applications to the approved plan.

(vi) If the plurality proposal is found to be unacceptable, the Chief, Common Carrier Bureau shall again examine the agreements discussed in paragraph (j)(11)(ii) of this section to determine whether a second largest plurality exists. The procedures in paragraphs (j)(11) (iii) through (v) of this section shall be followed with respect to the second largest plurality. This process shall continue until no more pluralities exist.

(vii) If there do not exist any plurality agreements, the Chief, Common Carrier Bureau shall randomly select, from among all applicants whose technical methods of operation have not previously been found to be unacceptable, the technical method of operation. The procedures in paragraphs (j)(11) (iii) through (v) of this section shall be followed with respect to the randomly selected proposal. If the proposal is not approved, another random selection shall be held. This process shall continue until all proposals are rejected, at which time, all applications shall be returned to the applicants without prejudice.

(12) The licensees in each market shall measure channel usage at least once every 3 months. These measurements shall be reported to the Commission within 30 days. Measurements shall be taken during the busiest 12-hour periods on 3 days (within a 7-day period) having normal usage. The information should be reported separately for each of the 3 days selected, should be reported by dates, and should disclose the following:

(i) The number of mobile units in service during each of the days specified;

(ii) The number of calls completed each hour;

(iii) The total number of minutes that the channels (base and mobile) were utilized for transmissions between the base station and land mobile units during each hour;

(iv) The average channel usage for the busiest hour for the 3 days being measured; and

(v) Such other additional information which may more accurately reflect channel usage.

(k) The frequencies listed in part 4 of this section are available for multiple address control of at least four remote base stations operating on the same frequency assignment. Tandem operation of these control frequencies is not permitted.

(1) The location of the control station must be within 50 miles of the center city coordinates listed in part 3 of this section.

(2) Control stations are permitted to operate at 1000 watts effective radiated power with an antenna radiation center height above average terrain of 500′.

(3) Market Areas.

Urbanized area	Geographic center	
	N. latitude	W. longitude
Boston, Mass	42°21′24″	71°03′24″
Chicago, Ill	41°52′28″	87°38′22″
Cleveland, Ohio	41°29′51″	81°41′50″
Dallas, Tex	32°47′09″	96°47′37″
Detroit, Mich	42°19′57″	83°02′57″
Houston, Tex	29°45′26″	95°21′37″
Los Angeles, Calif	34°03′15″	118°14′28″
Miami, Fl	25°46′37″	80°11′32″
NY, NY	40°45′06″	73°59′39″
Philadelphia, PA	39°56′58″	75°09′21″
Pittsburgh, PA	40°26′19″	80°00′00″
San Francisco-Oakland, Calif	37°46′39″	122°24′40″
Washington, DC	38°53′51″	70°00′33″

(4)

BOSTON

Group 1:

470.0125	482.0125
470.0375	482.0375
470.0625	482.0625
470.0875	482.0875
470.1125	482.1125
470.1375	482.1375
470.1625	482.1625
470.1875	482.1875
470.2125	482.2125
470.2375	482.2375
470.2625	482.2625
470.2875	482.2875

Group 2:

473.0125	485.0125
473.0375	485.0375
473.0625	485.0625
473.0875	485.0875
473.1125	485.1125
473.1375	485.1375
473.1625	485.1625
473.1875	485.1875
473.2125	485.2125
473.2375	485.2375
473.2625	485.2625
473.2875	485.2875

CHICAGO, CLEVELAND, NEW YORK—NORTHEASTERN NEW JERSEY

Group 1:

470.0125	476.0125
470.0375	476.0375
470.0625	476.0625
470.0875	476.0875
470.1125	476.1125
470.1375	476.1375
470.1625	476.1625
470.1875	476.1875
470.2125	476.2125
470.2375	476.2375
470.2625	476.2625
470.2875	476.2875

Group 2:

473.0125	479.0125
473.0375	479.0375
473.0625	479.0625
473.0875	479.0875
473.1125	479.1125
473.1375	479.1375
473.1625	479.1625
473.1875	479.1875
473.2125	479.2125
473.2375	479.2375
473.2625	479.2625
473.2875	479.2875

DALLAS-FORT WORTH

482.0125	485.0125
482.0375	485.0375
482.0625	485.0625
482.0875	485.0875
482.1125	485.1125
482.1375	485.1375
482.1625	485.1625
482.1875	485.1875
482.2125	485.2125
482.2375	485.2375
482.2625	485.2625
482.2875	485.2875

DETROIT

Group 1:

482.0125	476.0125
482.0375	476.0375
482.0625	476.0625
482.0875	476.0875
482.1125	476.1125
482.1375	476.1375
482.1625	476.1625
482.1875	476.1875
482.2125	476.2125
482.2375	476.2375
482.2625	476.2625
482.2875	476.2875

Group 2:

485.0125	485.0625
485.0375	485.0875

485.1125
485.1375
485.1625
485.1875
485.2125
485.2375
485.2625
485.2875
479.0125
479.0375
479.0625
479.0875
479.1125
479.1375
479.1625
479.1875
479.2125
479.2375
479.2625
479.2875

HOUSTON

488.2875
491.2875

LOS ANGELES

Group 1:

506.0625
506.0875
506.1125

Group 2:

509.0625
509.0875
509.1125

MIAMI

470.0125
470.0375
470.0625
470.0875
470.1125
470.1375
470.1625
470.1875
470.2125
470.2375
470.2625
470.2875
473.0125
473.0375
473.0625
473.0875
473.1125
473.1375
473.1625
473.1875
473.2125
473.2375
473.2625
473.2875

PHILADELPHIA

Channel 19

Channel 20

Group 1:

500.0125
500.0375
500.0625
500.0875
500.1125
500.1375
500.1625
500.1875
500.2125
500.2375
500.2625
500.2875
506.0125
506.0375
506.0625
506.0875
506.1125
506.1375
506.1625
506.1875
506.2125
506.2375
506.2625
506.2875

Group 2:

503.0125
503.0375
503.0625
503.0875
503.1125
503.1375
503.1625
503.1875
503.2125
503.2375
503.2625
503.2875

509.0125
509.0375
509.0625
509.0875
509.1125
509.1375
509.1625
509.1875
509.2125
509.2375
509.2625
509.2875

PITTSBURGH

Channel 14

470.0125
470.0375
470.0625
470.0875
470.1125
470.1375
470.1625
470.1875
470.2125
470.2375
470.2625
470.2875
473.0125
473.0375
473.0625
473.0875
473.1125
473.1375
473.1625
473.1875
473.2125
473.2375
473.2625
473.2875

SAN FRANCISCO

Channel 17

Channel 16

Group 1:

488.0375
488.0625
488.0875
488.1125
488.1375
488.1625
488.1875
488.2125
488.2375
488.2625
488.2875
482.0375
482.0625
482.0875
482.1125
482.1375
482.1625
482.1875
482.2125
482.2375
482.2625
482.2875

Group 2:

491.0125
491.0375
491.0625
491.0875
491.1125
491.1375
491.1625
491.1875
491.2125
491.2375
491.2625
491.2875
485.0125
485.0375
485.0625
485.0875
485.1125
485.1375
485.1625
485.1875
485.2125
485.2375
485.2625
485.2875

WASHINGTON, DC

Channel 18

Channel 17

Group 1:

494.0125
494.0375
494.0625
494.0875
494.1125
494.1375
494.1625
494.1875
494.2125
494.2375
494.2625
494.2875
488.0125
488.0375

488.0625
488.0875
488.1125
488.1375
488.1625
488.1875
488.2125
488.2375
488.2625
488.2875

Group 2:

497.0125
497.0375
497.0625
497.0875
497.1125
497.1375
497.1625
497.1875
497.2125
497.2375
497.2625
497.2875
491.0125
491.0375
491.0625
491.0875
491.1125
491.1375
491.1625
491.1875
491.2125
491.2375
491.2625
491.2875

(5) Television protection is required as set forth below:

(i) Control stations operating on the frequencies available in subpart 4 of this section shall afford protection to co-channel and adjacent channel television stations in accordance with the values set out in tables B and C of § 22.501(j)(7), except for channel 15 in New York, and Cleveland, Ohio and channel 16 in Detroit, Mich., where protection will be in accordance with the values set forth in tables C and F of § 22.501(j)(7).

(ii) Control stations shall be located a minimum of one mile from local television stations operating on TV channels separated by 2, 3, 4, 5, 7 and 8 TV channels from the television channel in which the control station will operate.

(iii) The television stations to be protected in each urban area, in accordance with the provisions of 5(a) and 5(b) of this section, are identified in the Commission's publications "TV Stations To Be Considered in the Preparation of Application for Land Mobile Facilities in the Band 470-512 MHz." The publication is available at the offices of the Federal Communications Commission of Washington, DC or upon the request of interested persons.

(iv) For antenna heights between 500 feet at 3,000 feet above average terrain the effective radiated power must be reduced below 1 kw in accordance with the values shown in the power reduction graph of figure A of § 22.501(j) except for channel 15 in New York, N.Y., and Cleveland, Ohio and channel 16 in Detroit, Mich., where the effective radiated power must be reduced in accordance with figure B. For heights of more than 500 feet above average terrain, the distance to the radio path horizon will be calculated assuming smooth earth. If the distance so determined equals or exceeds the distance to the grade B authorization will not be granted unless it can be shown that actual terrain considerations are such as to provide the desired protection at the grade B contour, or that the effective radiated power will be further reduced so that, assuming free space attenuation, the desired protection at the grade B contour will be achieved.

(l) [Reserved]

(m) In lieu of a wireline circuit for control of a specific base station transmitter from its required control point or in lieu of wirelines for an audio circuit to a base station control point from a remotely located fixed receiver used for reception of mobile station transmissions, and upon an affirmative showing that the conditions set forth in paragraphs (m)(1) through (6) of this section are satisfied, point-to-point inter-island control and repeater stations may be authorized in the State of Hawaii upon the frequency pairs indicated below:

Transmitter (or receiver) (MHz)	Receiver (or transmitter) (MHz)
488.250	491.250
488.750	491.750
489.250	492.250
489.750	492.750
490.250	493.250
490.750	493.750

(1) All applicants for regular authorization in this band shall before filing an application or major amendment to a pending application, coordinate the proposed frequency usage with existing users in the area and other applicants with previously filed applications. All applicants, permittees and licensees shall cooperate fully and make reasonable efforts to resolve technical problems.

(2) Each applicant shall identify in its application all entities with which

the technical proposal was coordinated.

(3) If technical problems cannot be resolved, the Commission will assign a suitable frequency or designate the application for hearing.

(4) The following guidelines are applicable to the coordination procedure:

(i) Coordination involves two separate elements: Notification and response. Both or either may be oral or in written form. To be acceptable for filing, all applications and major technical amendments must certify that coordination, including response, has been completed. The name of the carriers with which coordination was accomplished must be specified.

(ii) Notification must include relevant technical details of the proposal. At minimum, this should include, as applicable, the following:

Transmitting station name.

Transmitting station coordinates.

Frequencies and polarizations to be added or changed.

Transmitting equipment type, its stability, actual output power, and emission designator.

Transmitting antenna type and model and, if required, a typical pattern and maximum gain.

Transmitting antenna height above ground level and ground elevation above mean sea level.

Receiving station name.

Receiving station coordinates.

Receiving antenna type and model and, if required, a typical pattern and maximum gain.

Receiving antenna height above ground level and ground elevation above mean sea level.

Path azimuth and distance.

(iii) Response to notification should be made as quickly as possible, even if no technical problems are anticipated. Every reasonable effort should be made by all carriers to eliminate all problems and conflicts. If no response to notification is received within 30 days, the applicant will be deemed to have made reasonable efforts to coordinate and may file his application without a response.

(iv) The 30-day notification period is calculated from the date of receipt by the carrier being notified. If notification is by mail, this date may be ascertained by: (A) The return receipt on certified mail, (B) the enclosure of a card to be dated and returned by the recipient, or (C) a conservative estimate of the time required for the mail to reach its destination. In the latter case, the estimated date when the 30-day period would expire should be stated in the notification.

(v) All technical problems that come to light during coordination must be resolved unless a statement is included with the application to the effect that the applicant is unable or unwilling to resolve the conflict and briefly the reason therefor.

(vi) Where a number of technical changes become necessary for a system during the course of coordination, an attempt should be made to minimize the number of separate notifications for these changes. Where the changes are incorporated into a completely revised notice, the items that were changed from the previous notice should be identified.

(vii) Where subsequent changes are not numerous or complex, the carrier receiving the changed notification should make an effort to respond in less than 30 days. Where the notifying carrier believes a shorter response time is reasonable and appropriate, it may be helpful for him to so indicate in the notice and perhaps suggest a response date.

(viii) If it is determined that a subsequent change could have no impact on some carriers receiving the original notification, it is not necessary to coordinate the change with such carrier. However, these carriers should be advised of the change and of the opinion that coordination is not required for said change.

(5) The effective radiated power of the control and repeater station does not exceed 150 watts.

(6) The antenna beamwidth will not exceed 15°.

(n)–(o) [Reserved]

(p)(1) For assignment to based stations of communication common carriers for use exclusively in providing a one-way signaling service (center frequency of 25 khz band).

931.0125 MHz
931.0375 MHz
931.0625 MHz
931.0875 MHz
931.1125 MHz
931.1375 MHz
931.1625 MHz
931.1875 MHz
931.2125 MHz
931.2375 MHz

931.2625 MHz
931.2875 MHz
931.3125 MHz
931.3375 MHz
931.3625 MHz
931.3875 MHz
931.4125 MHz
931.4375 MHz
931.4625 MHz
931.4875 MHz
931.5125 MHz
931.5375 MHz
931.5625 MHz
931.5875 MHz
931.6125 MHz
931.6375 MHz
931.6625 MHz
931.6875 MHz
931.7125 MHz
931.7375 MHz
931.7625 MHz
931.7875 MHz
931.8125 MHz
931.8375 MHz
931.8625 MHz
931.8875 MHz [1]
931.9125 MHz [1]
931.9375 MHz [1]
931.9625 MHz
931.9875 MHz

[1] Reserved for stations engaged in providing nationwide network paging service; as provided for in § 22.527.

(2) Specification of frequency in application. (i) *Non-network*: An applicant for a new, non-network frequency in the band 929-932 MHz will not specify a frequency in its appplication. It may specify its non-network frequency preference, but the Commission is not bound by such requests.

(ii) *Network*: An applicant wishing to organize a network frequency will not specify a frequency preference in its application but must make the showings required by § 22.527. The subsequent applications filed by the affiliating, local common carriers should specify the specific network channel it desires.

(Secs. 4, 303, 307, 48 Stat., as amended, 1066, 1082, 1083; 47 U.S.C. 154, 303, 307)

[44 FR 60572, Oct. 19, 1979]

EDITORIAL NOTE: For FEDERAL REGISTER citations affecting § 22.501, see the List of CFR Sections Affected in the Finding Aids section of this volume.

§ 22.502 Classification of base stations.

(a) Base stations in the public land mobile service shall be classified according to antenna height above average terrain and effective radiated power in the relevant direction. This classification is not applicable to base stations in the frequency bands 454.6625—455.000 MHz, 459.6625—460.000 MHz, 470-512 MHz and 929-932 MHz.

[Antenna height above average terrain (feet)]

	Class of station				
400 to 500	C	B	B	A	A
300 to 400	C	C	B	B	A
200 to 300	D	C	C	B	B
100 to 200	D	D	C	C	B
0 to 100	E	D	D	C	C
	Effective radiated power (watts)				
[1]	30	60	120	250	500

[1] ERP's falling anywhere between those listed above will use the next higher figure.

(b) Any station with antenna height more than 500 feet above average terrain, but with an effective radiated power within the limits prescribed in Rules § 22.505 shall be considered to be a Class A station.

(c) Classes of stations in the 931 MHz Band:

The following table of heights and powers is used to classify the 931 MHz paging stations:

Average antenna height above average terrain [1]	Station class					
4001-5000	G	G	F	F	F	F
2826-4000	H	G	G	F	F	F
2001-2825	K	H	H	G	F	F
1401-2000	L	K	H	G	G	G
1001-1400	L	L	K	H	G	G
581-1000	L	L	L	L	K	H
0-580	L	L	L	L	L	L
	125	250	500	1000	1860	3500

Effective radiated power (watts) [2]

[1] Average of the eight cardinal radials.

[2] For power values [1] failing between those listed above use the next higher figure

[52 FR 10574, Apr. 2, 1987, as amended at 55 FR 30462, July 26, 1990]

§ 22.503 Geographic separation of co-channel stations.

(a) Except as provided in § 22.502, a co-channel interference study in accordance with § 22.15(b)(2) is not required where base stations engaged in two-way communications, employing frequency modulation or phase modulation and operating co-channel in this service, are separated by not less than the distances shown below. In all other cases, a co-channel interference study is required.

Class of two-way station in the band 152-162 MHz	Minimum mileage separation between co-channel stations				
A	84				
B	80	74			
C	75	69	58		
D	70	64	54	44	
E	66	60	50	40	30
	A	B	C	D	E

Class of Station

Class of two-way station in the band 450-460 MHz	Minimum mileage separation between co-channel stations				
A	67				
B	64	58			
C	61	54	47		
D	58	51	44	37	
E	55	47	42	34	26
	A	B	C	D	E

Class of Station

(b) A co-channel interference study in accordance with § 22.15(b)(2) is not required where base stations engaged in one-way communications, employing frequency modulation or phase modulation and operating co-channel in this service, are separated by not less than the distances shown below. In all other cases, a co-channel interference study is required.

Class of one-way station in the band 35-162 MHz	Minimum mileage separation between co-channel stations				
A	67				
B	64	58			
C	59	54	45		
D	56	51	42	34	
E	53	47	38	32	30
	A	B	C	D	E

Class of Station

(c) In any particular case, where it appears that unusual radio wave propagation conditions are involved, the Commission may require greater separation than indicated in the tables in paragraph (a) and (b) of this section, or make assignments at lesser stations spacing. Reference may be made to § 73.611(d) of this chapter for methods of computing mileage separation between station locations.

(d) The following table is used to determine the minimum required distance separation between stations in the 931 MHz band:

Station class	Minimum separation between co-channel stations				
L	70				
K	75	78			
H	80	83	86		
G	101	104	107	116	
F	139	142	145	154	17
	L	K	H	G	F

Station Class

[49 FR 3337, Jan. 26, 1984, as amended at 5 FR 32204, Aug. 9, 1985; 55 FR 30462, July 26, 1990]

§ 22.504 Reliable service area.

(a) The limits of reliable service area of a base station engaged in two-way communications service with mobile stations are considered to be described by a field strength contour of 31 decibels above 1 microvolt per meter for stations operating on frequencies in the 35 MHz band, 37 decibels above microvolt per meter for stations operating on frequencies in the 152-162 MHz band, and 39 decibels above 1 microvolt per meter for stations operating on frequencies in the 450-460 MHz and 470-512 MHz bands. The limits of reliable service area of a base station engaged in one-way signaling service is considered to be 43 decibels above 1 microvolt per meter. Service within such areas is generally expected to have an average reliability of not less than 90 percent.

NOTE: For stations in the 35 MHz band see Note in § 22.501(a).

(b)(1) The field strength contours described in paragraph (a) of this section shall be regarded as determining the limits of the reliable service area of stations other than those in the frequency band 929-932 MHz for the purpose of providing protection to such stations from co-channel electrical harmful interference and for defining the area within which consideration will be accorded claims of economic competitive injury. The following F(50, 50) radio wave propagation charts shall be used in connection with making such determinations, and shall be used in combination with the following F(50, 10) radio wave propagation charts in the determination of areas of harmful interference between co-channel stations.

(2) The reliable service area and interference area for one-way signaling stations in the 931 MHz band is as follows:

Class	Radius of service area (Miles)	Radius of interference area (Miles)
F	52	119
G	35	81
H	26	60
K	23	55
L	20	50

The reliable service area is used to determine whether claims of economic competitive injury are considered. The reliable service area so defined is not entitled to protection from electrical interference from co-channel stations at interference distances greater than those listed.

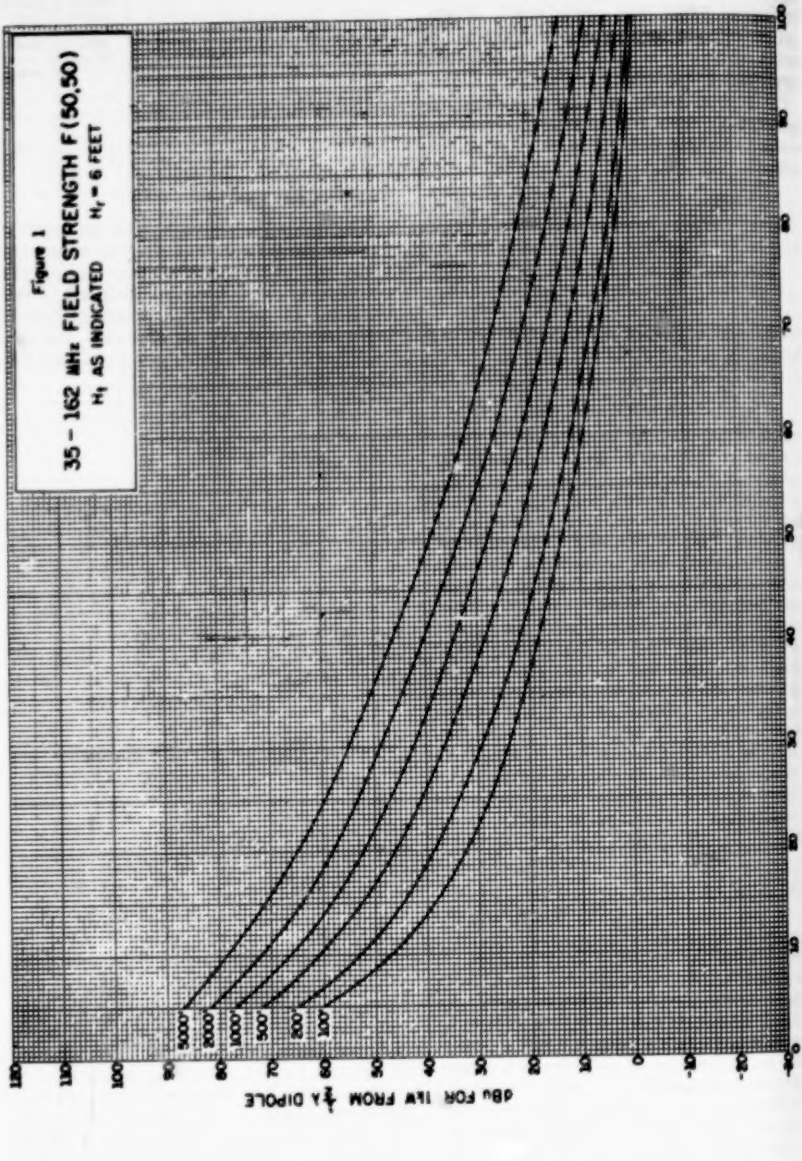


Figure 1

35 – 162 MHz FIELD STRENGTH F(50,50)

H_t AS INDICATED H_r = 6 FEET

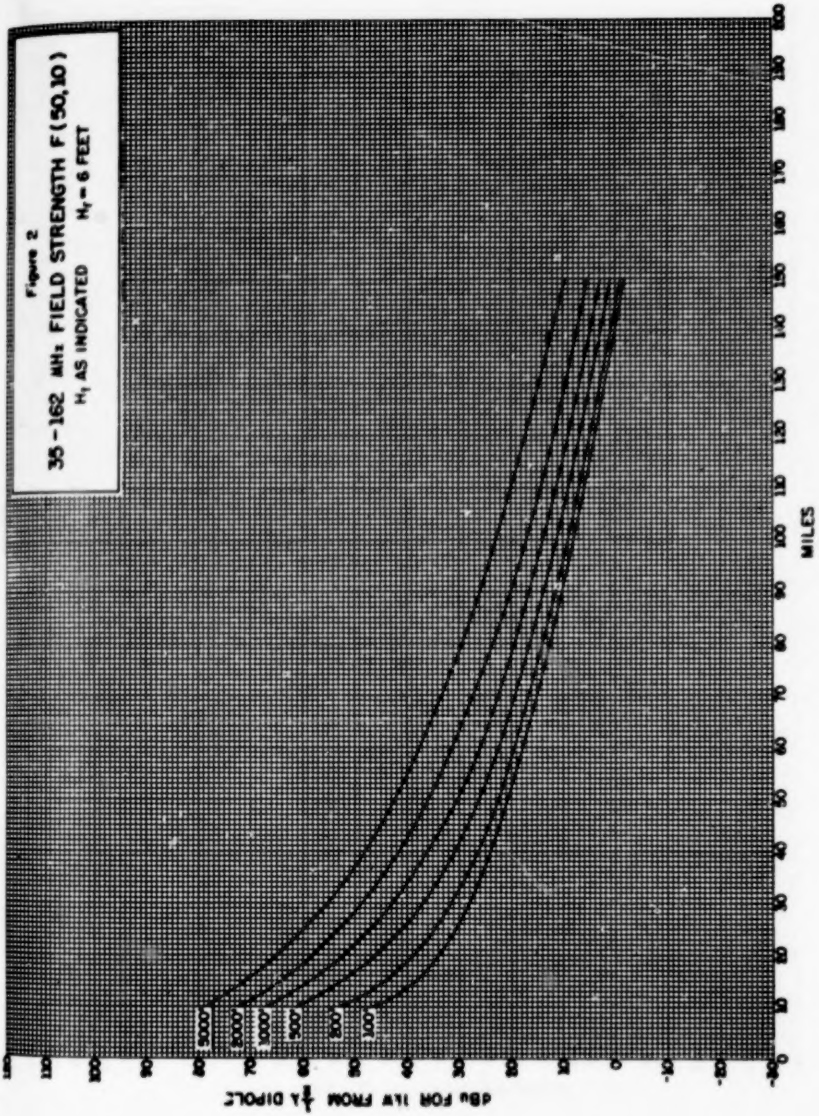


Figure 2

35 - 162 MHz FIELD STRENGTH F(50,10)

H_1 AS INDICATED H_r = 6 FEET

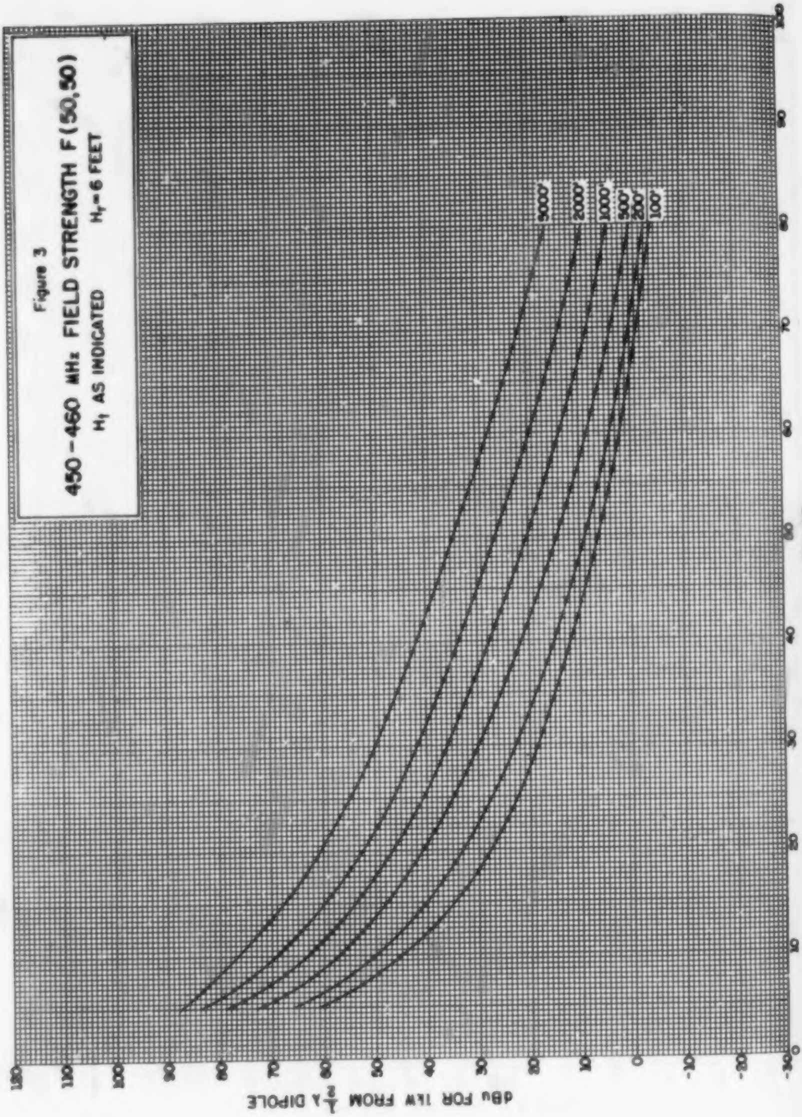


Figure 3
450-460 MHz FIELD STRENGTH F(50,50)
H_1 AS INDICATED
H_2=6 FEET
5000'
2000'
1000'
500'
200'
100'
120
110
100
90
80
70
60
50
40
30
20
10
0
-10
-20
-30
0
10
20
30
40
50
60
70
80
90
100
dBu FOR 1kW FROM $\frac{\lambda}{2}$ DIPOLE
MILES

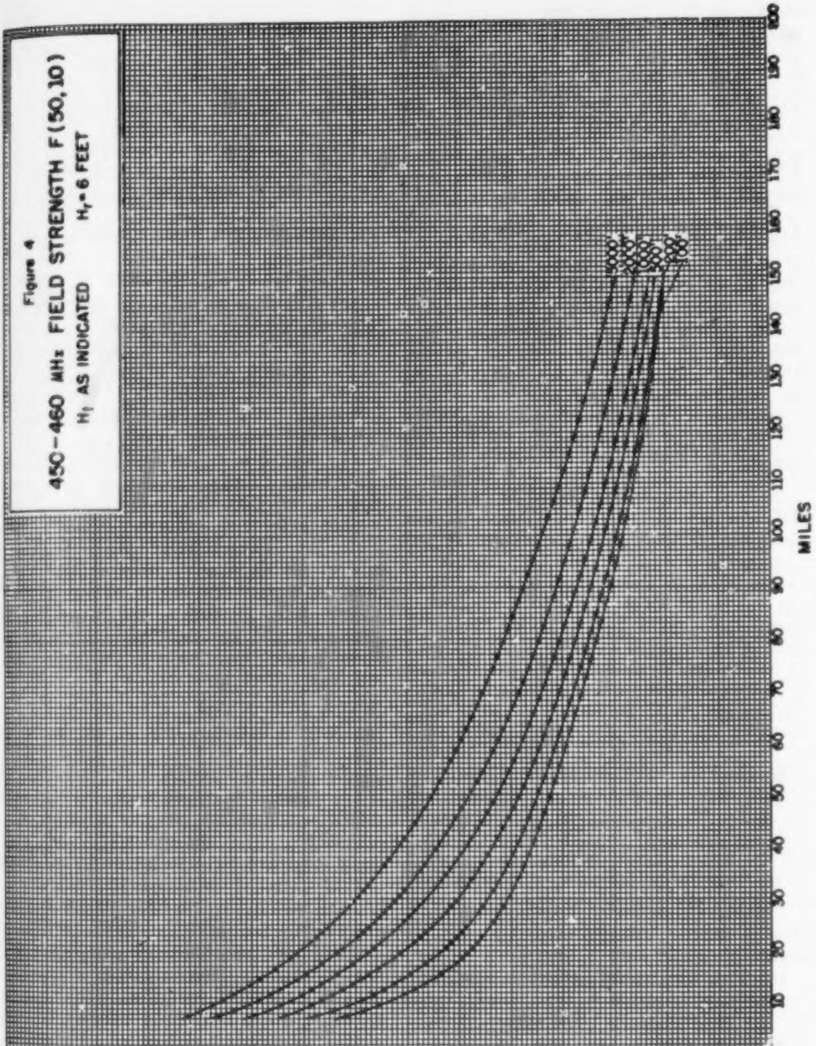


Figure 4
450-460 MHz FIELD STRENGTH F(50,10)
H_1 AS INDICATED
H_2 = 6 FEET
MILES
0
10
20
30
40
50
60
70
80
90
100
110
120
130
140
150
160
170
180
190
200
dBu FOR 1kW FROM ½λ DIPOLE
120
110
100
90
80
70
60
50
40
30
20
10
0
-10
-20
-30

(c) *All* applications for base station authorization (Form 401) shall show the maximum distance, in miles, from the base station to the reliable service area contour as determined from each of the eight radials shown in § 22.115(a)(1), and (b).

[44 FR 60572, Oct. 19, 1979, as amended at 47 FR 24569, June 7, 1982; 49 FR 3337, Jan. 26, 1984; 55 FR 30462, July 26, 1990]

§ 22.505 Antenna height-power limit.

(a)(1) Base stations, other than in the air-to-ground radio service and in the 470-512 MHz and the 929-932 MHz bands, with antennas more than 500 feet above average terrain shall not exceed the effective radiated power as provided in the table below.

(2) Optimum antenna placement and configuration is preferable to higher power.

Antenna height (ATAT) (feet)	Effective radiated power (ERP) (watts)
500	500
550	397
600	323
700	223
800	166
900	126
1,000	98
1,250	57
1,500	37
2,000	20
2,500	13
3,000	10
3,500	9
4,000	8
5,000	7

For AAT's between the above listed values, linear interpolation should be used.

(b) The maximum effective radiated power and antenna height, respectively, for base stations providing one-way signaling service in the frequency band 929-932 MHz shall be no greater than 1 kilowatt (30 dBw) and 305 meters (1000 feet) above average terrain (AAT), or the equivalent thereof determined from the following table:

Antenna height (AAT) (feet)	Effective radiated power (ERP) (watts)
Above:	
5000	65
4500	70
4000	75
3500	100
3000	140
2500	200
2000	350
1500	600
1000	1000

(c) Stations in the 35, 43, 152, and 454 MHz bands, operating in accordance with § 22.506(f), may operate stations at 500 watts effective radiated power or less regardless of the average height of the station's antenna above average terrain.

(1) Stations in the 35, 43, 152, and 454 MHz bands, operating in accordance with § 22.506(f), that exceed 500 watts effective radiated power, shall calculate their interference contours along all radials exceeding 500 watts and 500 feet above average terrain using the following modification to the formula in the Carey Report for determining the ratio of desired to undesired fields "R":

$$R = A + C + K(L_d^2 + L_u^2 + T_u^2)^{1/2}$$

where C is determined from the following formula:

$C = 10 \times \log(HAAT/500)$

(2) Stations operating on the 931 MHz nationwide paging frequencies, 931.8875, 931.9125 and 931.9375 MHz, may operate at a maximum of 3500 watts without antenna height limitation. Stations in the 931 MHz band not operating on the 931 MHz nationwide paging frequencies may operate without regard to height-power reduction if the interference area of the proposed station does not exceed the interference area(s) of existing stations.

(3) An exhibit demonstrating compliance with this section must be submitted with the application. The exhibit must include a map showing the proposed interference contour/area and the interference contour(s)/area(s) used to justify filing an application under this section.

[47 FR 24570, June 7, 1982, as amended at 50 FR 32204, Aug. 9, 1985; 54 FR 28817, July 10, 1989; 55 FR 30462, July 26, 1990]

§ 22.506 Power.

(a) *Base stations.* Base stations shall not exceed 500 watts effective radiated power except for base stations in the 470-512 MHz and the 929-932 MHz band which shall not exceed the power limits in § 22.501(l) and 22.505(b), respectively.

(b) *Dispatch, auxiliary test stations.* Dispatch and auxiliary test stations shall not exceed 100 watts effective radiated power.

(c) *Mobile stations.* Mobile stations shall not exceed 60 watts transmitter power output.

(d) *Air-ground stations.* Base stations operating on frequencies specified in § 22.521 shall not exceed 100 watts transmitter power output. Airborne mobile stations shall have between 4 and 25 watts transmitter power output. During idle traffic periods a base station shall continuously radiate on its working channel(s) a modulated carrier reduced in power between 10 and 20 dB below normal power.

(e) *929-932 MHz band.* Base stations operating on frequencies in the band 929-932 MHz shall not exceed the values of effective radiated power listed in § 22.505(b) to a maximum of 1000 watts.

(f) Proposed base stations, other than those in the air-ground radio service, in the 43 MHz, the 931 MHz and the 470-512 MHz bands whose interference contours/areas do not exceed the interference contour(s)/areas of existing co-channel station(s), which are operated under the control of the same licensee, may operate with the following power limits:

Frequency or frequency band	Maximum effective radiated power
35 MHz	600 watts.
152 MHz	1400 watts.
158.10 MHz	1400 watts.
158.70 MHz	1400 watts.
454 MHz	3500 watts.

(1) All applications proposing the use of the frequencies 152.24, 152.84, 158.10, 158.70, and 454.025 MHz operating with effective radiated powers above 500 watts must show that their base stations are located a required distance from adjacent channel stations: 3.2 miles for the 152 MHz band and 4.4 miles for the frequency 454.025 MHz. All applicants for these adjacent channel frequencies must submit a study of the Commission's Master Frequency File showing that the required separation distances to the adjacent channel base stations have been met. In addition, any common carrier stations operating on 158.70 and 158.10 MHz at powers greater than 500 watts, must submit an analysis of the common carrier land mobile base station cumulative staff study showing that they are located more than 3.2 miles from common carrier stations operating on the base channels 152.21 and 152.81 MHz respectively.

(2) Stations operating on the 931 MHz nationwide paging frequencies, 931.8875, 931.9125, 931.9375 MHz, may operate at a maximum of 3500 watts. Stations in the 931 MHz band not operating on the 931 MHz nationwide paging frequencies may operate at a maximum effective radiated power of 3500 watts if the interference area of the proposed station does not exceed the interference area(s) of existing stations.

(3) An exhibit demonstrating compliance with this section must be submitted with the application. The exhibit must include a map showing the proposed interference contour and the interference contour(s) used to justify filing an application under this section.

[49 FR 3338, Jan. 26, 1984, as amended at 55 FR 30463, July 26, 1990]

§ 22.507 Bandwidth and emission limitations.

The maximum authorized bandwidth of emission and, for the cases of frequency or phase modulated emissions, the maximum authorized frequency deviation shall be as follows:

Type of emission	25–50 MHz		50–150 MHz		150–932 MHz	
	Authorized band width (kHz)	Frequency deviation (kHz)	Authorized band width (kHz)	Frequency deviation (kHz)	Authorized band width (kHz)	Frequency deviation (kHz)
A2D	3		3		3	
A3E	8		8		8	
F1D	20		20		20	
F1E	20	5	20	5	20	5
F2D	15		15		15	
F3E	20	5	20	5	20	5

[49 FR 48701, Dec. 14, 1984]

§ 22.506 Modulation requirements.

(a) The use of modulating frequencies higher than 3000 Hertz for radiotelephone or tone signaling is not authorized for frequencies below 512 MHz or in the band 929–932 MHz.

(b) During idle traffic conditions, the working channel carrier of a base station on frequencies specified in § 22.521 shall be modulated continuously with a distinctive tone except during period required for station identification.

(c) When amplitude modulation is used, the modulation percentage shall be sufficient to provide efficient communication and shall normally be maintained above 70 percent on peaks, but shall not exceed 100 percent on negative peaks.

(d) When phase or frequency modulation is used for single channel operation on frequencies below 512 MHz, the deviation arising from modulation shall not exceed the limits specified in § 22.507.

(e) Each transmitter which has more than 2 watts output power and was initially authorized or installed at the station in this service after July 1, 1950, employing type A3E or F3E emission shall be equipped with a device which will automatically prevent greater than normal audio level from modulating in excess of the limits specified in paragraphs (c) and (d) of this section.

(f) Each transmitter, which operates on frequencies below 450 MHz and employs type A3E or F3E emission, shall be equipped with a modulation limiter in accordance with the provisions of paragraph (e) of this section and also shall be equipped with a low-pass audio filter installed between the modulation limiter and the modulated stage. At audio frequencies between 3 kHz and 15 kHz, the filter shall have an attenuation greater than the attenuation of 1 kHz by at least:

$$40 \log_{10} (f/3) \text{ decibels}$$

where "f" is the audio frequency in kilohertz. At audio frequencies above 15 kHz, the attenuation shall be at least 28 decibels greater than the attenuation at 1 kHz.

(g) Each transmitter which operates on frequencies between 450 and 512 MHz or in the band 929–932 MHz and employes type A3E or F3E emission shall be equipped with a modulation limiter in accordance with the provisions of paragraph (e) of this section and also shall be equipped with a low pass audio filter installed between the modulation limiter and the modulated stage. At audiofrequencies between 3 kHz and 20 kHz, the filter shall have an attenuation greater than the attenuation at 1 kHz by at least:

$$60 \log (f/3) \text{ decibels}$$

where "f" is the audiofrequency in kilohertz. At audiofrequencies above 20 kHz, the attenuation shall be at least 50 decibels greater than the attenuation at 1 kHz.

(h) Each airborne station shall use suitable means to prevent impairment of transmission by the ambient noise present when the aircraft is in operation. Ambient noise in excess of 95 decibels Reference Acoustical Pressure (flat weighting) shall require use of a noise-cancelling type of microphone, or suitable environmental acoustic treatment to reduce the ambient noise level to 95 decibels RAP or less.

(i) Transmitters complying with the emission limitations of paragraph (b) of § 22.106 shall be exempt from the audio low-pass filter requirements of paragraphs (f) and (g) of this section provided that transmitters used for digital emissions must be type accepted with the specific equipment that provides the digital modulating signal. The type acceptance application shall contain such information as may be necessary to demonstrate that the transmitter complies with the emission limitations specified in paragraph (b) of § 22.106.

[44 FR 60572, Oct. 19, 1979, as amended at 47 FR 24571, June 7, 1982; 49 FR 3338, Jan. 26, 1984; 49 FR 48701, Dec. 14, 1984]

§ 22.509 Permissible communications.

(a) *Mobile stations.* Mobile stations shall communicate with and through base stations only. Such communication between base and mobile stations shall be upon frequencies which are paired according to this part.

(b) *Base stations.* Base stations shall communicate only with

(1) Land mobile stations;

(2) Airborne mobile stations. (If 2-way communications, then only as provided in § 22.521);

(3) Mobile stations on vessels subject to the requirements for incidental communications services in § 22.308;

(4) Rural subscriber stations subject to the requirement that it will not degrade the mobile communication service rendered by the base station.

(5) All paging receivers.

(c) *Dispatch stations.* A dispatch subscriber station may communicate only with that subscriber's mobile stations and only through the associated base station. Where subscribers jointly operate a dispatch station, each subscriber shall communicate only with his own mobile station. See § 22.519.

(d) *Auxiliary test stations.* Auxiliary test stations shall be operated on mobile station frequencies for testing fixed receivers remotely located from the control point. An Auxiliary test station may be used as a standby transmitter on the base station's assigned frequency.

(e) *International*—(1) *Canadian mobile stations.* Canadian licensed mobile stations which are in the United States may communicate with base stations in the public land mobile service after authorization has been granted by the Commission. See § 22.9(e).

(2) *United States mobile stations.* United States licensed mobile stations which are in Canada may communicate with base stations in the public land mobile service of either nation upon authorization by Canada. *See* § 22.9(f).

(3) *Other international.* Unless prohibited by a foreign country, base stations are permitted to provide transborder communication service to mobile stations in that country which are properly licensed for public mobile service in either country.

(f) *Taxi dispatch.* Taxi dispatching is not permitted under this part.

[49 FR 3338, Jan. 26, 1984]

§§ 22.510—22.513 [Reserved]

§ 22.514 Responsibility for operational control and maintenance of mobile units.

(a) The licensee of a base station in this service shall be responsible for exercising effective operational control over all mobile units with which it communicates. The proper installation and maintenance of such mobile units shall be the responsibility of the respective licensees thereof, *except that* subscribers who elect to provide their own land and air mobile units shall be responsible for the proper installation and maintenance of such mobile units. These subscribers are required to do the following:

(1) To comply with all applicable rules and regulations of the Commission;

(2) To use type accepted mobile units only, and to furnish the type accepted number to the carrier;

(3) To provide and operate mobile units which meet compatibility specifications of the carrier's mobile system and to provide evidence to the carrier to demonstrate such compatibility;

(4) To indicate to the carrier the number of mobile units which the subscriber plans to operate and to operate no mobile units other than those disclosed to the carrier;

(5) To furnish to the carrier, at the time when the subscriber requests service, the subscriber's name and address, and to update this information promptly to keep it current at all times;

(6) To take prompt action to eliminate unacceptable interference to the mobile system or to other users;

(7) To make the mobile station equipment available for inspection by representatives of the Commission at any reasonable hour.

(b) If a subscriber fails to comply with any of the above requirements, the serving carrier may refuse or suspend service to the subscriber, in accordance with any applicable local requirements for timely notification, until the subscriber has corrected the deficiency for which service was refused or suspended.

When the Commission investigates allegations of improper operation of a mobile unit, the carrier shall furnish, upon reasonable request by the Commission, the subscriber's name and address as well as technical information concerning the mobile unit(s) associated with the subscriber. Where the allegations relate to a subscriber who furnishes his or her own land mobile unit, the carrier's responsibility for such mobile unit shall be discharged by furnishing the specified information; except that, in cases of aggravated or repeated violations, the Commission may require the carrier to suspend service indefinitely to the subscriber.

(c) A mobile unit normally associated with and licensed to a specified base station will be deemed, when communicating with a different base station pursuant to legally effective tariff provisions to be temporarily associated with and licensed to such different base station and the licensee of such different base station shall, for such temporary period, assume the same licensee responsibility for such mobile unit as if such unit were regularly licensed to it.

[45 FR 25805, Apr. 16, 1980, as amended at 51 FR 39755, Oct. 31, 1986]

§ 22.515 Control points.

(a) *General rule.* (1) Every station in this service shall have at least one control point. Additional control points may be installed upon notification to the Commission.

(2) The Commission shall be notified by Form 489 whenever that control point is moved. The notification shall contain a street address or its geographic coordinates.

(3) No control point is necessary until the station starts transmitting.

(b) *Dispatch stations.* The licensee shall at all times maintain operational control over each dispatch station. See § 22.519.

[49 FR 3339, Jan. 26, 1984, as amended at 50 FR 32204, Aug. 9, 1985]

§ 22.516 Usage showing for additional channels.

(a) Traffic load studies shall be required in the following cases:

(1) Applications which request an additional frequency for an existing one-way signaling station (except where the additional frequency is made available as a subcarrier on a broadcast station licensed under Part 73);

(2) Applications which request one or more additional frequencies for an existing two-way station;

(3) Other applications as the Commission may prescribe.

(b) Traffic load study shall include a showing of the following:

(1) The study shall survey traffic on each channel assignment for three days in a seven day period having normal usage.

(2) The survey shall state (i) the channel occupancy reported separately for the busiest hour on each of three days, for all frequencies, both VHF and UHF; (ii) the number of two-way mobile stations, tone-only pagers, tone-plus-voice pagers, and tone digital readout pagers; (iii) the specific assignment of each channel to specific trunk groups, if any; (iv) the date and time of the survey.

(3) The survey shall be performed within 60 days prior to the date on which the application is filed. See § 22.16.

[49 FR 3339, Jan. 26, 1984, as amended at 49 FR 19665, May 9, 1984; 52 FR 10575, Apr. 2, 1987]

§ 22.517 Repeater stations.

(a) As an additional function a base station may be used as a repeater station.

(b) The licensee must be able to turn the base station on or off from the control point regardless of whether a mobile station is transmitting.

[49 FR 3339, Jan. 26, 1984]

§ 22.518 Use of mobile station frequency for control station.

Upon proper application to the Commission for a radio station authorization to install a control station, a base station applicant or licensee may be authorized to operate its base station via a control station using the mobile station frequency paired therewith. In order to ensure retention of essential operational control of the radio system by its licensee, it is expected that this method of operation will not be installed where the signals from subscriber operated units are able to override the functions of the control path between the control and base station, or where such operation will cause harmful interference to another radio system. The control station shall be provided with coded signals whose transmission will enable the control station to shut down and reactivate the base station at will, irrespective of the transmissions of subscriber units associated therewith. Additional coded signals may be employed by the controls station for selective signaling of subscriber units or for performing essential functions at the base station, e.g., controlling aeronautical obstruction marking lights on the base station antenna tower. The coded signals used by control stations for shut down and reactivation of the base station, or for any other essential control functions (other than selective signaling incidental to establishment of subscriber communications) connected therewith, shall consist of two or more sequentially transmitted tones whose combined duration shall not exceed one second. Use of tone modulation for selective signaling to and from subscriber radio installations is not required: however, when tone modulation is used for this purpose, the aforementioned limitation on the combined duration of tones is not applicable. Radio installations in the premises of, or in vehicles of, subscribers are not permitted to be equipped with code signaling devices (other than for signaling incidental to establishment of subscriber communications) whereby the user would be able to reactivate the base station after the radio system has been shut down by the licensee. Applications for authority to operate a control station upon the mobile station frequency shall be supported by complete engineering information disclosing, among other things, all particulars of the code signaling system which is to be employed.

§ 22.519 Dispatch stations.

(a) No new dispatch stations or dispatch points will be permitted. A common carrier which had authority to provide dispatch service prior to January 1, 1982, may continue to provide such service. References to dispatch stations and dispatch points in the rules, specifically §§ 22.2, 22.509, 22.515 and this section are applicable to grandfathered stations and stations in the cellular radio service, pursuant to § 22.911.

(b) *Dispatch stations without specific authorization.* A base station licensee may install a dispatch station for mobile station subscriber(s) without specific authorization.

(1) *Technical.* (i) The dispatch station shall use a mobile station frequency paired with the associated base station frequency.

(ii) The antenna height shall not exceed the criteria in § 17.7 of this chapter. The output power of the transmitter shall not exceed 10 watts.

(iii) No dispatch station shall be capable of overriding the functioning of a control station on the same frequency.

(iv) Every dispatch station shall be under continuous supervision of at least one base station control point.

(2) *Notification.* The Commission shall be notified whenever a dispatch station is installed pursuant to this paragraph. The notification shall include the name and address of the subscriber(s) for which the station was installed, the location of the dispatch

station, height of antenna structure above ground and above mean sea level, the frequencies used, the call sign of the base station communicated with, and its location.

(3) *Limitation.* The operation of a dispatch station pursuant to notification without specific authorization shall be subject to termination by the Commission without a hearing upon notice to the licensee.

(4) *Dispatch stations requiring authorization.* A dispatch station which does not comply with paragraph (b) above shall be installed only after application (on FCC Form 401) and approval.

[49 FR 3339, Jan. 26, 1984]

§ 22.520 [Reserved]

§ 22.521 Air-ground radiotelephone service.

(a) *Frequencies.* (1) The following frequency pairs, or channels, are allocated for the provision of radiotelephone service between airborne stations and interconnected land mobile radio systems:

Base station frequencies (MHz)	Working channel designations	Mobile and auxiliary test station frequencies (MHz)
454.675		
454.700	6	459.700
454.725	7	459.725
454.750	5	459.750
454.775	8	459.775
454.800	4	459.800
454.825	9	459.825
454.850	3	459.850
454.875	10	459.875
454.900	2	459.900
454.925	11	459.925
454.950	1	459.950
454.975	12	459.975

These frequencies may be used for public land mobile service subject to the provisions of § 22.308.

(2) Frequencies 454.675 MHz and 459.675 MHz are to be associated with each base/mobile pair listed for use in signaling, including automatic signaling.

(b) *Locations.* Base stations may be assigned the following channels and shall be located within 25 miles of the coordinates specified, or if none, the main post office:

Location	Channel
Alabama:	
Mobile	4
Troy	10
Alaska:	
Anchorage	8, 10
Fairbanks	5, 6
Juneau	2, 7
Ketchikan	4, 3
Nome	2, 7
Arizona:	
Grand Canyon	12
Phoenix	2, 8
Arkansas: Little Rock	6
California:	
East of Fresno (36°44′ N. lat.) (118°17′ W. long)	3.11
Northwest of Los Angeles (34°20′ N. lat.) (118°36′ W. long)	4, 7, 10
North of Redding (40°55′ N. lat.) (122°27′ W. long)	6
East of San Diego (32°53′ N. lat.) (116°25′ W. long)	9
Northeast of San Francisco (37°51′ N. lat.) (122°11′ W. long)	1, 8
Northwest of Santa Barbara (34°32′ lat.) (119°58′ W. long)	5
Colorado:	
Denver	2, 7, 8
Grand Junction	4
Trinidad	10
District of Columbia: Washington	1, 7, 10
Florida:	
Cocoa	3, 11
Miami	2, 7, 8, 9
Tallahassee	6
Tampa	5, 12
Georgia:	
Atlanta	7, 8, 9
Waycross	1
Hawaii:	
Hilo (Hawaii)	2, 4
Honolulu (Oahu)	1, 3, 5, 7
Kailua-Kona (Hawaii)	6, 8
Kamuela (Hawaii)	9
Kahului (Maui)	10, 12
Lihue (Kauai)	11
Idaho:	
Boise	4
Idaho Falls	10
Illinois:	
Alton	4, 10
Chicago	1, 7, 9
Indiana: Vincennes	11
Iowa: Waterloo	12
Kansas:	
Colby	8, 11
Salina	1
Kentucky: Middlesboro	5
Louisiana:	
New Orleans	3, 11
Shreveport	5
Maine: Bangor	1, 7
Massachusetts: Boston	2, 3, 4
Michigan: Detroit	2, 8
Minnesota:	
Duluth	2
Minneapolis	3, 11

Location	Channel
Mississippi: Jackson	2
Missouri: Kansas City	2, 8
Montana:	
Billings	9
Glendive	3
Great Falls	2, 12
Missoula	7
Nebraska:	
Alliance	5, 12
North Bend	6
Nevada:	
Elko	5
Las Vegas	6
Northwest of Reno (39°35′ N. lat.) (119°56′ W. long.)	2
New Jersey: Newark	6, 8, 9
New Mexico:	
Albuquerque	5
Artesia	1
Silver City	3
New York:	
Elmira	5
Southwest of Albany (42°38′ N. lat.) (73°59′ W. long.)	11
North Carolina:	
Charlotte	2
Rocky Mount	11
North Dakota:	
Bismarck	1
Fargo	4, 7
Ohio: Dayton	6
Oklahoma: Oklahoma City	3, 12
Oregon:	
Klamath Falls	12
Pendleton	8
Salem	3, 11
Pennsylvania: Pittsburgh	4, 12
Puerto Rico:	
Mayaguez	12
Ponce	11
San Juan	8, 9, 10
South Carolina: Charleston	4
South Dakota: Pierre	10
Tennessee	
Columbia	12
Memphis	1
Texas:	
Amarillo	6
Austin	11
Dallas	4, 7, 10
El Paso	9, 11
Harlingen	3
Houston	1, 9
San Antonio	8
Sweetwater	2
Utah:	
Ogden	3, 11
Richfield	1, 9
Virgin Islands:	
Charlotte Amalie	7
Frederiksted	6
Washington:	
Seattle	1, 2, 5, 9
Spokane	6
West Virginia: Beckley	3
Wisconsin: Wausau	5
Wyoming: Casper	6

(c) *Power.* Base stations shall not exceed 100 watts effective radiated power. Airborne mobile stations shall have between 4 and 25 watts output power. During idle traffic periods a base station shall continuously radiate on its working channel a modulated tone reduced in power between 10 and 20 dB.

(d) *Ambient noise.* Ambient noise shall be reduced to 95 dB Reference Acoustical Pressure (flat weighting) or less.

[44 FR 60572, Oct. 19, 1979, as amended at 45 FR 46404, July 10, 1980; 46 FR 60404, Dec. 9, 1981; 49 FR 3339, Jan. 26, 1984; 50 FR 7180, Feb. 21, 1985; 50 FR 13333, Apr. 4, 1985; 50 FR 23125, May 31, 1985; 50 FR 32204, Aug. 9, 1985]

§ 22.522 Base station signaling system requirements for calling airborne stations.

(a) Each base station operating on frequencies specified in § 22.521 shall be equipped for two-tone selective signaling of airborne stations by means of a code comprised of seven basic elements, A through G, as follows:

A	B	C	D	E	F	G
Digit one (1).	Pause.	Pause digits (e.g., 29035).	Pause.	One or more digits (e.g., 3).	Pause.	Digit one (1)

A—A clearing pulse to reset selectors to zero.

B—An idle period pulse of 0.66 to 1.4 seconds between the transmission of the clearing pulse and the time of start of transmission of the assigned selective signaling code.

C—The selective signaling code or "number" assigned to the airborne station. This always comprises five digits. The digit one is not used. The arithmetic sum of the five digits will be anything from 10 to 50, counting 0 as 10.

D—An idle period. 1.0 second (minimum) between the transmission of the five digit code and element E, the channel designation number.

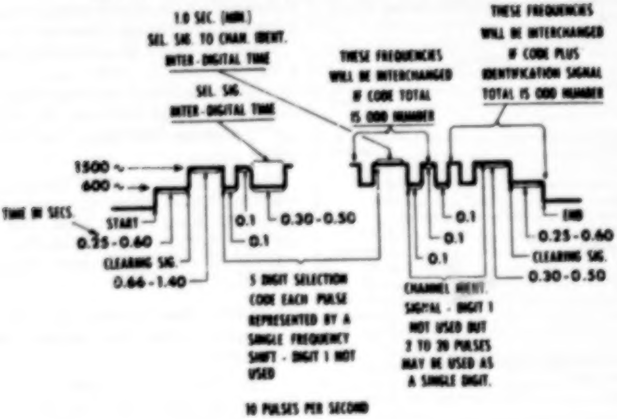
E—The channel designation number to indicate the working channel of the calling base station. This may also be used to activate an audible ringing signal in the aircraft. Two to thirteen pulses are used to select channels 1 to 13 and are sent in a continuous train as a single digit. The digit comprised of one pulse is not used.

F—A 0.30 second period is provided prior to transmission of a clearing pulse.

G—A clearing pulse to enable the airborne station selective signaling receiver equipment to return the selective signaling selector to zero.

(b) The basic elements of the selective signaling system shall conform to the frequencies and time intervals illustrated. The times shown apply to automatic-pulsing selective-signaling equipments using digit counting circuitry at the ground station. If manual dialing is employed, the pauses and interdigit times will be dependent upon the speed of the operator.

Two-tone signal for ground-to-air calling


1.0 SEC. (MIN.)
SEL. SIG. TO CHAN. IDENT.
INTER-DIGITAL TIME
SEL. SIG.
INTER-DIGITAL TIME
THESE FREQUENCIES
WILL BE INTERCHANGED
IF CODE TOTAL
IS ODD NUMBER
THESE FREQUENCIES
WILL BE INTERCHANGED
IF CODE PLUS
IDENTIFICATION SIGNAL
TOTAL IS ODD NUMBER
1500 ~
600 ~
TIME IN SECS.
START
0.25-0.60
CLEARING SIG.
0.66-1.40
0.1
0.1
0.30-0.50
5 DIGIT SELECTION
CODE EACH PULSE
REPRESENTED BY A
SINGLE FREQUENCY
SHIFT - DIGIT 1 NOT
USED
0.1
0.1
0.1
CHANNEL IDENT.
SIGNAL - DIGIT 1
NOT USED BUT
2 TO 20 PULSES
MAY BE USED AS
A SINGLE DIGIT.
END
0.25-0.60
CLEARING SIG.
0.30-0.50
10 PULSES PER SECOND

§ 22.523 Airborne station receiver requirements.

(a) An airborne station desiring to receive calls originated by a base station shall be equipped to receive and respond to its assigned telephone number when transmitted by the selective signaling system prescribed by § 22.522.

(b) Airborne stations desiring to receive calls originated by a base station must employ a receiver designed to automatically revert to the signaling channel frequency upon completion of a call.

§ 22.524 Auxiliary test stations.

Auxiliary test stations shall be used for testing the performance of fixed receiving equipment remotely located from the control point. The licensee or permittee of a base station may operate an auxiliary test station. The auxiliary test station must operate on the mobile station frequency associated with the base station and shall comply with the maximum power specified for mobile stations.

[49 FR 3340, Jan. 26, 1984]

§ 22.525 One-way signaling stations.

(a) An applicant for a new one-way signaling station may request no more than one channel. No showing of public need will be required of an applicant for an initial channel regardless of the band for which the request is made.

(b) An applicant requesting a new 900 MHz one-way signaling station will be deemed to be requesting additional frequencies for its existing station if there is less than forty miles distance between the applicant's existing base station and its proposed base station. An existing 900 MHz licensee requesting a one-way frequency will be deemed to be requesting an additional frequency if its proposed base station is less than forty miles from its existing 900 MHz base station.

(c) An applicant for an additional transmitter location within the service area of its existing station, and on the same frequency, will not be required to demonstrate public need for the new facility. The applicant may not reduce the distance between its own station location(s) and a co-channel station below that specified in § 22.503(d) as a result of the addition of a new transmitter location unless the frequency is time-shared to avoid interference.

(d) An applicant for an additional channel must demonstrate the need for it by submitting a traffic load study pursuant to § 22.516.

(e) An applicant filing an application for a 900 MHz paging frequency at a location within forty miles of a pending one-way application, without dismissing the previously filed pending application, will be treated as amending the previous application. The amended application will be considered newly filed and subject to the applicable cut-off procedures. A pending 900 MHz application will be amended by a subsequent application for any one-way paging frequency, if the base station location is within forty miles of the location requested in the pending 900 MHz application.

(f) In the cases where the pending or newly filed applications do not involve the 900 MHz band, an applicant requesting a new one-way signaling station will be deemed to be requesting additional frequencies for its existing station if either (1) the transmitter location specified in the new application is within the service area of the existing station, or (2) there is an overlap or 50 percent or more between the service areas of the existing and proposed facilities.

[47 FR 53383, Nov. 26, 1982, as amended at 50 FR 32204, Aug. 9, 1985]

§ 22.526 [Reserved]

§ 22.527 Channel assignment policies for 900 MHz one-way signaling channels reserved for stations engaged in providing network signaling service.

(a) An applicant wishing to organize a network signaling channel should not specify a particular channel in its application.

(b) The applicant shall submit to the Commission copies of agreements, if any, and system diagrams and plans illustrating how applicant proposes to utilize the desired network signaling channel. Applications filed pursuant to this paragraph must contain at a minimum the following:

(1) Technical standards describing the types of one-way communications to be provided, the signaling format under which individual receivers may be selectively signaled, and the network protocol under which all stations licensed or subsequently licensed on the desired network signaling channel may be connected or interconnected for the purposes of exchanging or delivering signaling messages for transmission by such stations.

(2) Description of how the proposed system and the technical standards described in paragraph (b)(1) of this section will not discriminate as to access, cost, or otherwise between applicant and the local operators for the desired network paging channel.

(3) Description of how the proposed network would provide for interference-free operation on the channel in each local area.

(4) Description of applicant's technical and financial qualifications to construct the proposed system and to develop and implement the technical standards described in paragraph (b)(1) of this section. Such financial qualifications shall satisfy the requirements of § 22.917.

(5) Description of how applicant with others, will provide network signaling service to at least fifteen standard metropolitan statistical areas initially and to how it will expand network services to the entire nation within two years.

(6) A model tariff showing, among other things, how it intends to provide nondiscriminatory access to network operators; and

(7) Description of how the public interest, convenience and necessity will be served by a grant of the application.

(c) An applicant wishing to serve as a local distribution carrier must have specific, completed contracts with the network organizer(s) for which it is proposing to provide local distribution services. Applications may contain a letter indicating that the applicant has a completed contract with the organizer, in lieu of submitting the contract itself.

(d) Network organizers and local distribution carriers are jointly and severably liable for the technical operation of the local network distribution facilities.

[48 FR 21335, May 12, 1983, as amended at 49 FR 22324, May 29, 1984]

Subpart H—Rural Radio Service

§ 22.600 Eligibility.

Rural central office and interoffice stations may be licensed to common carriers. Rural subscriber stations may be licensed to common carriers or to the individual user of the service. Subscriber stations which do not exceed sixty (60) watts effective radiated power and whose antenna height does not exceed the criteria in § 17.7 of this chapter, are not required to obtain a Commission license to operate. Instead, these stations will be associated with the blanket authorization issued to the central office station or base station which serves them. All rural radio stations are required to operate in compliance with Commission regulations and may be required to cease operation for failure to so comply.

[50 FR 32204, Aug. 9, 1985]

§ 22.601 Frequencies.

(a) Licensees authorized pursuant to this section may offer fixed service only. However, nothing in this part is intended to change the requirement of § 22.501(c) for entities licensed in the Public Land Mobile Service.

(1) The frequencies in paragraph (b) of this section are available to applicants in the Rural Radio Service, including Basic Exchange Telecommunications Radio Service, on a co-primary basis with stations in the Public Land Mobile Service;

(2) The frequencies in paragraph (c) of this section are available to applicants in the rural radio service, for the provision of Basic Exchange Telecommunications Radio Service, provided the following conditions are met:

(i) Rural radio service licensees may not use these frequencies within 100 miles of the border of the top 54 SMSAs as defined in the Domestic Cellular Radio Service;

(ii) The frequencies must be used as grouped and paired;

(iii) Rural radio licensees must protect licensed systems at the time of grant;

(iv) The same frequency group may not be reassigned to a base station within 70 miles of another base station on the same channels or channels offset by 12.5 kHz;

(v) Technical parameters for the use of these frequencies are contained in Subpart S and Subpart M of Part 90 of the Commission's Rules;

(vi) Applications for the use of these frequencies should be submitted by applicant to the Common Carrier Bureau for review, from where they will be forwarded to the Private Radio Bureau for coordination and frequency availability;

(3) For the Canadian Regions and within 68.4 miles of the Mexican border, the frequencies in paragraph (c) of this section are not available.

(4) All applicants in the Basic Exchange Telecommunications Radio Service must have first acquired whatever authorization is needed to provide this service from the state in which applicant proposes to offer BETRS. If no authorization is needed in the state in which applicant proposes to offer BETRS, applicant should so indicate in its application.

(b) *Frequencies.*

Central office and interoffice station frequencies (MHz)	Rural subscriber and interoffice station frequencies (MHz)
152.03	158.49
152.06	158.52
152.09	158.55
152.12	158.58
152.15	158.61
152.18	158.64
152.21	158.67
152.51	157.77
152.54	157.80
152.57	157.83
152.60	157.86
152.63	157.89
152.66	157.92
152.69	157.95
152.72	157.98
152.75	158.01
152.78	158.04
152.81	158.07
454.025	459.025
454.050	459.050
454.075	459.075
454.100	459.100
454.125	459.125
454.150	459.150
454.175	459.175
454.200	459.200
454.225	459.225
454.250	459.250
454.275	459.275
454.300	459.300

Central office and interoffice station frequencies (MHz)	Rural subscriber and interoffice station frequencies (MHz)
454.325	459.325
454.350	459.350
454.375	459.375
454.400	459.400
454.425	459.425
454.450	459.450
454.475	459.475
454.500	459.500
454.525	459.525
454.550	459.550
454.575	459.575
454.600	459.600
454.625	459.625
454.650	459.650

NOTE 1: Rural stations licensed as of the effective date of the adoption of final rules in this proceeding will be allowed to provide rural radio service on a primary basis (grandfathered).

(1) *Relay Stations.* The frequencies in paragraph (b) in this section may be assigned to relay stations upon a showing why it is impracticable to achieve the required communications without relay stations.

(c) The following frequencies are available on a co-primary basis for Basic Exchange Telecommunications Radio Service:

Subscriber location	Central office
816.2375	861.2375
817.2375	862.2375
818.2375	863.2375
819.2375	864.2375
820.2375	865.2375
816.2125	861.2125
817.2125	862.2125
818.2125	863.2125
819.2125	864.2125
820.2125	865.2125
816.1875	861.1875
817.1875	862.1875
818.1875	863.1875
819.1875	864.1875
820.1875	865.1875
816.1625	861.1625
817.1625	862.1625
818.1625	863.1625
819.1625	864.1625
820.1625	865.1675
816.1375	861.1375
817.1375	862.1375
818.1375	863.1375
819.1375	864.1375
820.1375	865.1375
816.1125	861.1125
817.1125	862.1125
818.1125	863.1125
819.1125	864.1125
820.1125	865.1125
816.0875	861.0875
817.0875	862.0875
818.0875	863.0875
819.0875	864.0675
820.0875	865.0875
816.0625	861.0625
817.0625	862.0625
818.0625	863.0625
819.0625	864.0625
820.0625	865.0625
816.0375	861.0375
817.0375	862.0375
818.0375	863.0375
819.0375	864.0375
820.0375	865.0375
816.0125	861.0125
817.0125	862.0125
818.0125	863.0125
819.0125	864.0125
820.0125	865.0125

(d) *890-940 MHz band.* (1) New stations will not be authorized in the 890-940 MHz band. However, stations which were authorized to operate on April 16, 1958, may be granted renewed licenses subject to the following conditions:

(i) Operations shall not be protected against any interference received from the emission of industrial, scientific, and medical equipment operating on 915 MHz or from the emission of radiolocation stations in the 890-942 MHz band.

(ii) No harmful interference shall be caused to stations operating in the radiolocation service in the 890-942 MHz band.

(e) *942-952 MHz band.* Existing stations in the 890-942 MHz band may be authorized to operate in the 942—952 MHz band under the following conditions:

(1) The stations must show that harmful interference is being caused by Government radiopositioning stations in the 890-942 MHz band or by industrial, scientific or medical equipment operating on 915 MHz.

(2) The application must have an engineering study showing that the interference will be eliminated by the change in frequency.

(3) The authorized bandwidth of emission shall not exceed 1100 kHz.

(4) The proposed frequency assignment shall not cause interference to existing operations in the 942-952 MHz band.

(f) *Puerto Rico, Virgin Islands.* In Puerto Rico and the Virgin Islands the 154.04-154.46 MHz and 161.40-161.85 MHz bands may be assigned for rural telephone service on a shared basis with International Fixed Public and Aeronautical Fixed Radio services.

(g) In the State of Alaska, the frequencies 42.40, 44.10, 44.20 and 45.90 MHz are available for assignment for meteor burst communications to fixed stations in the Rural Radio Service subject to the following conditions:

(1) The frequency 42.40 MHz may be used for central office station operations and 44.10 MHz for subscriber station operations on a primary basis. The frequencies 44.20 and 45.90 MHz may be used for central office and subscriber stations, respectively, on a secondary basis to private radio stations using meteor burst communications. Users shall cooperate among themselves to the extent practicable to promote compatible operation.

(2) The maximum transmitter output power shall not exceed 2000 watts for central office stations and 500 watts for subscriber stations.

(3) Co-channel central office stations of different licensees shall be located at least 150 miles apart. A subscriber station and a central office of station different licensees shall be located at least 150 miles apart if the subscriber units of the different licensees operate on the same frequency. Waiver of this requirement may be granted if affected users agree to a cooperative sharing arrangement.

(4) The authorized emission designator to be used is F1D.

(5) The authorized bandwidth is 20 kHz.

(6) Station identification in accordance with § 22.213 shall only be required for the central office station.

(7) Stations may be required to comply with additional conditions of operation as necessary on a case-by-case basis as specified in the authorization.

(8) Stations employing meteor burst communications shall not cause harmful interference to stations of other radio services operating in accordance with the allocation table. Authorizations for meteor burst communications systems will be issued subject to the Commission's developmental grant procedure as outlined in Subpart F of this part. Prior to expiration of the developmental authorization, application Form 489 should be filed for issuance of a permanent authorization.

[49 FR 3340, Jan. 26, 1984, as amended at 49 FR 48701, Dec. 14, 1984; 49 FR 48935, Dec. 17, 1984; 50 FR 32205, Aug. 9, 1985; 53 FR 3211, Feb. 4, 1988]

§§ 22.602—22.603 [Reserved]

§ 22.604 Emission limitations.

(a) The maximum authorized bandwidth of emission and, for the cases of frequency or phase modulated emissions, the maximum authorized frequency deviation shall be as follows:

Type of emission	Authorized bandwidth (kHz)	Frequency deviation (kHz)
A2D	3	
A3C	12	
A3E	8	
F1D	20	5
F1E	20	5
F2D	15	
F3C	20	5
F3E	20	5

(b) Bandwidths of emission greater than shown in paragraph (a) of this section may be authorized for multichannel operation upon an adequate showing of need therefor and provided a showing is made that the efficiency of frequency utilization per derived communication channel is equivalent to or greater than on a single channel basis. Radio facilities using frequency modulated or phase modulated emission shall not exceed a frequency deviation of 5 kHz due to modulation of the carrier frequency. An application requesting such authorization shall fully describe the modulation, emission and bandwidth desired and shall specify the bandwidth desired and shall specify the bandwidth to be occupied.

[49 FR 3341, Jan. 26, 1984, as amended at 49 FR 48701, Dec. 14, 1984]

§ 22.605 Modulation requirements.

(a) The use of modulating frequencies higher than 3000 hertz for single channel radiotelephony or tone signaling on frequencies below 500 MHz is not authorized.

(b) When amplitude modulation is used, the modulation percentage shall be sufficient to provide efficient communication and shall be normally maintained above 70 percent on peaks, but shall not exceed 100 percent on negative peaks.

(c) When phase or frequency modulation is used for single channel operation on frequencies below 500 MHz, the deviation arising from modulation shall not exceed the limits specified in § 21.604(a).

(d) Each transmitter, which has more than 2 watts output power and was initially authorized or installed at the station in this service after July 1, 1950, employing type A3E or F3E emission shall be equipped with a device which will automatically prevent greater than normal audio level from modulating in excess of the limits specified in paragraphs (b) and (c) of this section.

(e) Each transmitter, which operates on frequencies below 450 MHz and employs type A3E and F3E emission, shall be equipped with a modulation limiter in accordance with the provisions of paragraph (d) of this section and also shall be equipped with a low-pass audio filter installed between the modulation limiter and the modulated stage. At audio frequencies between 3 kHz and 15 kHz, the filters all have an attenuation greater than the attenuation at 1 kHz by at least:

$$40 \text{ logs}_{10} (f/3) \text{ decibels}$$

where "f" is the audio frequency in kilohertz. At audio frequencies above 15 kHz, the attenuation shall be at least 28 decibels greater than the attenuation at 1 kHz.

(f) Each transmitter, which operates on frequencies between 450 MHz and 470 MHz and employs type A3E or F3E emission, shall be equipped with a modulation limiter in accordance with the provisions of paragraph (d) of this section and also shall be equipped with a low-pass audio filter installed between the modulation limiter and the modulated stage. At audio frequencies between 3 kHz and 20 kHz, the filter shall have an attenuation greater than the attenuation at 1 kHz by at least:

$$60 \text{ logs}_{10} (f/3) \text{ decibels}$$

where "f" is the audio frequency in kilohertz. At audio frequencies above 40 kHz, the attentuation shall be at least 50 decibels greater than the attenuation at 1 kHz.

(g) Transmitters complying with the emission limitations of paragraph (b) of § 22.106 shall be exempt from the audio low-pass filter requirements of paragraphs (e) and (f) of this section provided that transmitters used for digital emissions must be type accepted with the specific equipment that provides the digital modulating signal. The type acceptance application shall contain such information as may be necessary to demonstrate that the transmitter complies with the emission limitations specified in paragraph (b) of § 22.106.

[49 FR 3341, Jan. 26, 1984, as amended at 49 FR 48701, Dec. 14, 1984]

§ 22.606 Permissible communications.

(a) Rural Subscriber stations normally are authorized to communicate with and through the central office station with which they are associated. However, where the establishment of central office station facilities in this service is shown to be impracticable, Rural Subscriber stations may be authorized to communicate with and through a specified base station in the Public Mobile Service pursuant to the provisions of § 22.509(f).

(b) Central Office stations may communicate only with Rural Subscriber stations.

(c) Inter-Office stations may communicate only with other Inter-Office stations.

(d) The foregoing paragraphs of this section shall not be construed to prohibit stations in this service from communicating through radio relay stations authorized pursuant to the provisions of § 22.601(d).

§ 22.607 Priority of service.

Within the Rural Radio Service, the frequencies set forth in § 22.601 are intended primarily for use in rendition of public message service between Rural Subscriber and Central Office stations and to provide radio trunking facilities between central offices. However, the frequencies may also be used for the rendition of private leased line communication service provided that such usage will not reduce or impair the extent or quality of communication service which would be available, in the absence of private leased line service, to the general public receiving or subsequently requesting public message service from a central office.

§ 22.608 Supplementary showing required with application for interoffice stations.

(a) Each application for initial installation of a radio station in this service, or for installation of additional transmitters, or for authority to communicate with new points, shall be accompanied by a statement showing how the proposed construction, etc., will serve the public interest, convenience and necessity. (When a series of related applications is filed for authority to construct a coordinated radio system or additional channels thereon, the supporting data may refer to all of the proposed stations or transmitters in such system.) Among other things, such statement should include information concerning:

(1) The number of communication circuits (telephone, telegraph, etc.) to be derived initially from the radio facilities proposed to be established. In the case of a radio system involving one or more circuit branching points, indicate the number of such circuits to be derived in each section of the system.

(2) The availability, adequacy, and reliability of existing public communication facilities along the route or in the area proposed to be served by the proposed radio facilities, operated by the applicant or any other carrier, indicating:

(i) The type of each communication facility (open wire, cable, radio, etc.).

(ii) The number of communication circuits of each type, listed in paragraph (a)(1) of this section, currently being derived from each of these facilities in the limiting cross-section or cross-sections, as appropriate.

(iii) Current traffic load trends, as indicated by periodic traffic load studies, including an estimate as to future circuit requirements.

(iv) Where more than 24 circuits are to be derived from the proposed construction, list the principal circuit groups currently operated, the number of circuits in each group, and the estimated number of circuits required in each group to meet load demands for the ensuing one year, two year, or five year period, as may be appropriate in order to provide adequate justification for said increases.

(b) Where specific information required by paragraph (a) of this section has been submitted in connection with applications filed under Part 63 of this chapter, duplication of information in support of applications submitted pursuant to this part is not required provided appropriate references are made therein. After an application for the initial establishment of a radio station or for the addition of transmitters on an existing system has been granted, and where the number of communication circuits (i.e., telephone, telegraph, etc.) is to be expanded without otherwise affecting the terms of the applicable radio station authorization, authority to install necessary channelizing equipment shall be secured by an application filed pursuant to section 214(a) of the Communications Act of 1934, as amended, and Part 63 of the Commission's rules and regulations, in those cases where the applicant is subject to the provisions of section 214.

§ 22.609 Supplementary showing required with applications for rural radio facilities.

(a) Each application in this service shall be accompanied by a showing why it is impracticable to provide the required communication service by means of wireline facilities.

(b) Additionally where it is proposed to provide a rural subscriber service through a base station, a showing should be made that the proposed rural subscriber service will not adversely affect the availability or adequacy of service to mobile subscribers.

(c) Applications shall contain calculations of the effective Radiated Power demonstrating compliance with the limits set forth in §§ 22.505 and 22.506.

(d) All applications for Central Office, Inter Office and Relay Stations shall provide the following information:

(1) A showing listing all co-channel facilities required by § 22.15(b) and interference studies, pursuant to § 22.15(b)(2), demonstrating that the proposed facility will not cause harmful electrical interference to those co-channel facilities identified in § 22.15(b);

(2) Height above average terrain. *See* § 22.115.

(e) All licensees in the Rural Radio Service, must, upon request by a *bona fide* prospective applicant, provide to such applicant the information in paragraph (d) of this part regarding the portion of the licensee's operations which potentially affects, or potentially is affected by, the prospective applicant's proposed system, if such information is not already on file with the Commission. This information must be given to the *bona fide* prospective applicant within thirty days of receipt of the information request.

[49 FR 48935, Dec. 17, 1984, as amended at 53 FR 3212, Feb. 4, 1988; 54 FR 28816, July 10, 1989]

§ 22.610 Temporary fixed stations (Rural subscriber, interoffice, and central office stations).

(a) *General.* Upon proper application (FCC Forms 401, 489) for the frequencies listed in § 22.601, an authorization may be issued to operate a temporary fixed station. The station shall be used for rural subscriber, interoffice, or central office service only when regular facilities are not available or when such service is disrupted by storms or emergencies.

(b) *Six month limitation.* When a temporary fixed station is to remain at a single location for more than six months, an application for authorization as a permanent fixed station (FCC Forms 401, 489) must be made at least 30 days before the end of the six month period.

(c) *International communications.* Temporary fixed stations shall not transmit between the United States and Canada or Mexico without prior authorization from the Commission. Application for authorization shall be made at the earliest possible time to permit coordination with Canada or Mexico.

[49 FR 3341, Jan. 26, 1984, as amended at 50 FR 32205, Aug. 9, 1985]

Subparts I–J—[Reserved]

Subpart K—Domestic Public Cellular Radio Telecommunications Service

AUTHORITY: Sec. 4, c. 652, Title I, 48 Stat. 1066, as amended (47 U.S.C. 154(i); sec. 303, c. 652, Title III, 48 Stat. 1082, as amended (47 U.S.C. 303(r)).

SOURCE: 46 FR 27674, May 21, 1981, unless otherwise noted.

§ 22.900 Scope.

This subpart sets out the regulations governing the licensing and operations of cellular systems authorized in the bands 824–849 MHz and 869–894 MHz. It includes eligibility requirements, application procedures, and operational and technical standards for stations licensed in these bands. The rules in this subpart are to be read in conjunction with the applicable requirements contained elsewhere in this part; however, in case of conflict, the provisions of this subpart shall govern.

[46 FR 27674, May 21, 1981, as amended at 53 FR 52175, Dec. 27, 1988]

§ 22.901 Eligibility.

(a) Authorizations for Cellular Systems to be operated in the Domestic Public Cellular Radio Telecommunications Service will be issued to existing and proposed communications common carriers. Applications will be granted only in cases where it is shown that the applicant is legally, financially, technically and otherwise qualified to render the proposed service, there are frequencies available to enable the applicant to render a satisfactory service, and the public interest, convenience and necessity would be served by a grant thereof.

(b) Neither Ameritech Information Technologies Corp., Bell Atlantic Corp., BellSouth Corp., NYNEX Corp., Pacific Telesis Group, Southwestern Bell Corp., or US West, Inc., their successors in interest, nor any affiliated entity, may engage in the provision of cellular service except as provided for in paragraphs (c) and (d), or as otherwise authorized by the Commission.

(c) A carrier subject to the restriction in paragraph (b) of this section, may, subject to other provisions of law, have a controlling or lesser interest in, or be under common control with a separate corporate entity that furnishes cellular service provided the following conditions are met:

(1) Each such separate corporation shall obtain access to landline exchange and transmission facilities necessary for the provision of cellular service on the same basis as those facilities are available to other entities, and may not own any facilities for the provision of landline telephone service;

(2) Each such separate corporation shall operate independently in the furnishing of cellular service. It may include, as part of its operations, the furnishing of other mobile services offered pursuant to Part 22 of the Commission's Rules. Each such separate corporation shall maintain its own books of account, have separate officers, utilize separate operating, marketing, installation, and maintenance personnel, and utilize separate computer and transmission facilities in the provision of cellular services. Any research or development performed on a joint or separate basis for the subsidiary must be done on a compensatory basis; and

(3) All transactions between the separate corporation and the carrier or its affiliates which involve the transfer, either direct or by accounting or other record entries, of money, personnel, resources, other assets or anything of value, shall be reduced to writing. A copy of any contract, agreement or other arrangement entered into between such entities with regard to interconnection with landline network exchange and transmission facilities shall be filed with the Commission within thirty days after the contract, agreement or other arrangement is made. A copy of all other contracts, agreements or arrangements between such entities shall be kept available by the separate corporation for inspection upon reasonable request by the Commission. The provision shall not apply to any transaction governed by the provision of an effective state or Federal tariff.

(d) A carrier subject to the restriction in paragraph (b) of this section:

(1) Shall not engage in the sale or promotion of cellular services on behalf of the separate corporation or sell, lease or otherwise make available to the separate corporation any transmission facilities which are used in any way for the provision of its landline telephone services, except on a compensatory, arms-length basis; this section shall not prohibit joint advertising or promotional efforts by the landline carrier and its cellular affiliate; and

(2) May not provide to any such separate corporation any customer proprietary information unless such information is available to any member of the public on the same terms and conditions.

[47 FR 10035, Mar. 9, 1982, as amended at 50 FR 10036, Mar. 13, 1985; 51 FR 37023, Oct. 17, 1986; 53 FR 23766, June 24, 1988]

§ 22.902 Frequencies.

(a) The frequencies available in the Domestic Public Cellular Radio Telecommunications Service are listed below in accordance with Frequency Allocations of § 2.106. Each frequency Block available for use by cellular systems in this service shall be assigned to a single applicant in any cellular system service area. A cellular licensee may use any frequency from its Block at any of its authorized locations, subject to prior coordination as described in paragraph (d) of this section. Only two cellular systems may be authorized in each such area. In the event harmful interference occurs or appears likely to occur between two or more radio systems and such interference cannot be resolved between the licensees thereof, the Commission may require the licensees to make such changes in operating techniques or equipment as it may deem necessary to avoid such interference.

(b) For cellular systems the assignment of frequencies will be divided into two blocks. Assignments will be made from the frequencies listed for cellular Systems A and B. Common carriers not also engaged in the business of affording public landline message telephone service will be assigned frequencies from Cellular System A. Common carriers engaged directly or indirectly in the business of affording public landline message telephone service will be assigned frequencies from cellular System B in those areas in which they provide such landline service in some portion of the cellular market; except that, in the final cellular application phase for any initially unapplied for or unlicensed area, either within or without a Metropolitan Statistical Area (MSA) or New England County Metropolitan Area (NECMA), a cellular applicant may apply for either frequency block and the applicant shall indicate in its application which it prefers to be assigned.

(1) Cellular System A: 416 frequency pairs with 30 kHz channel spacing as follows:

Mobile frequencies

824.040, 824.070..........834.990 MHz
845.010, 845.040..........846.480 MHz

Base frequencies

869.040, 869.070..........879.990 MHz
890.010, 890.040..........891.480 MHz

(2) Cellular System B: 416 frequency pairs with 30 kHz channel spacing as follows:

Mobile frequencies

835.020, 835.050..........844.980 MHz
846.510, 846.540..........848.970 MHz

Base frequencies

880.020, 880.050..........889.980 MHz
891.510, 891.540..........893.970 MHz

(c) 21 control channel pairs will be assigned in each cellular system.

(1) For systems operating on the frequencies specified for Cellular System A, the 21 channel pairs are: 834.390 MHz through 834.990 MHz and 879.390 MHz through 879.990 MHz.

(2) For systems operating on the frequencies specified for Cellular System B, the 21 channel pairs are: 835.020 MHz through 835.620 MHz and 880.020 MHz through 880.620 MHz.

(d) *Frequency coordination.* (1) All permittees or licensees in the Domestic Public Cellular Radio Telecommunications Service shall coordinate proposed frequency usage with existing users in Cellular Geographic Service Areas within 75 miles of all base stations affected, and with tentative selectees and other non-mutually exclusive pending applicants whose facilities could affect or be affected by the new proposal in terms of intersystem frequency interference or restricted ultimate system capacity. This coordination requirement shall also apply to permissive changes (i.e. changes in frequency assignment not requiring prior Commission approval) within an authorized Cellular Geographic Service Area.

(2) All permittees and licensees shall cooperate fully and make reasonable efforts to resolve technical problems and conflicts that may inhibit the most effective and efficient use of the radio spectrum; however, the party being coordinated with is not obligated to suggest changes or reengineer a proposal in cases involving conflicts. All permittees and licensees shall make every reasonable effort to avoid blocking the growth of other systems that are likely to need additional capacity in the foreseeable future.

(3) Where technical problems are resolved by an agreement or operating arrangement between the parties that would require special procedures to be taken to reduce the likelihood of intersystem interference or would result in a reduction of quality or capacity of either system, the new licensee or permittee shall notify the Commission. Upon making a permissive change, a licensee shall notify the Commission of its frequency usage and report on its coordination as required under this subsection.

(e) All mobile units must initially be capable of communicating on the 666 channels established by order in

Docket No. 79-318, released May 4, 1981.

[46 FR 27674, May 21, 1981, as amended at 49 FR 23647, June 7, 1984; 50 FR 51527, Dec. 18, 1985; 51 FR 35649, Oct. 7, 1986; 51 FR 37400, Oct. 22, 1986]

§ 22.903 Cellular system service areas.

(a) The Cellular Geographic Service Area (CGSA) of the cellular system shall be defined by the applicant as the area intended to be served. No CGSA, which includes areas within a Metropolitan Statistical Area (MSA), or in New England, a New England County Metropolitan Area (NECMA), as modified in paragraph (e) of this section, below, may extend beyond the boundaries of the MSA or NECMA, except where any such extensions are *de minimus* and do not include areas within another central MSA or NECMA. For MSAs and NECMAs below the top 90, the boundaries of the CGSA must include at least 75% of either the land area or population of the MSA or NECMA. The CGSA(s) must be drawn on one or more U.S. Geological survey map(s) with a scale of 1:250,000. Within the CGSA, the applicant must depict each base station site and its respective 39 dBu contour as determined by the methods described in paragraph (c) of this section. An applicant must state that the combined 39 dBu contours of all base stations will cover at least 75% of the total CGSA.

(1) *Rural Service Areas.* At the time of initial application filing, no CGSA or 39 dBu contour may extend beyond the boundaries of the Rural Service Area (RSA) into another RSA or any MSA or NECMA, or beyond the coastline of the Gulf of Mexico except to provide service to the Florida Keys. Any such initial application that has a CGSA or 39 dBu contour that extends into another RSA or MSA or NECMA, or beyond the coastline of the Gulf of Mexico will be returned as defective. An applicant may propose multiple CGSAs within the RSA. The 75% coverage of either the land area or the population of the MSA or NECMA does not apply to RSAs. The CGSA must be drawn on one or more U.S. Geological survey map(s) with a scale of 1:250,000. For RSAs the CGSA map need only depict the area(s) encompassed by any CGSA(s) within the RSA (and that portion of the RSA visible on the map) and must clearly depict on the face of the map the longitude, latitude and scale pursuant to § 22.2. Within the CGSA, the applicant must depict each base station site and its respective 39 dBu contour as determined by the methods described in paragraph (c) of this section. An applicant must state that the combined 39 dBu contours of all base stations will cover at least 75% of the total CGSA.

(b) The service area boundary described in paragraph (a) of this section shall be regarded as determining the limits of the cellular system service area for the purposes of providing protection to such systems, and of defining the area within which we will recognize adverse effects for determining standing.

(c) For the purpose of establishing the reliable service area of a station and performing interference studies, an applicant must use procedures consistent with § 22.504 and F.C.C. Report No. R-6406, "Technical Factors Affecting The Assignment of Facilities In The Public Mobile Service," by Roger B. Carey. Standards and procedures presently applied to stations in the 450-460 MHz band should be used. Any other interference studies utilis ing other procedures, which the applicant believes the Commission should consider, in addition to the above required study, may also be submitted and will be considered in accordance with Public Notice, May 2, 1980 Mimeo 30893, 45 FR 30202 (47 FR 2 666 (1980)). Furthermore, in case where the applicant believes that Report No. R-6406 does not accurately depict the realistic 39 dBu service contour(s) of the base station(s) pro posed, the applicant may submit fo the Commission's consideration alter native propagation studies in additio to the above required studies. All sup porting data and calculations must b included with the results of the stud ies.

(d) An applicant whose propos would extend any 39 dBu contour, a calculated by F.C.C. Report No. R 6406, outside of its presently autho sed CGSA will be deemed to be applying for a change in its CGSA.

(e) Listed below are the top 30 MSAs, as modified for purposes of this proceeding in order to have service areas more closely aligned with actual mobile service marketing areas. All other MSAs are in accordance with those listed by the Office of Management and Budget, Metropolitan Statistical Area.

"MODIFIED MSAs"

1. New York, NY/Nassau-Suffolk, NY/Newark, Jersey City and Paterson-Clifton-Passaic, NJ
2. Los Angeles-Long Beach/Anaheim-Santa Ana-Garden Grove/Riverside Santa Bernardino-Ontario, CA
3. Chicago, IL
4. Philadelphia, PA
5. Detroit/Ann Arbor, MI
6. Boston-Lowell-Brockton-Lawrence Haverhill, MA
7. San Francisco-Oakland, CA
8. Washington, DC-MD-VA
9. Dallas-Port Worth, TX
10. Houston, TX
11. St. Louis, MO-IL
12. Miami/Fort Lauderdale-Hollywood, FL
13. Pittsburgh, PA
14. Baltimore, MD
15. Minneapolis-St. Paul, MN-WI
16. Cleveland, OH
17. Atlanta, GA
18. San Diego, CA
19. Denver-Boulder, CO
20. Seattle-Everett, WA
21. Milwaukee, WI
22. Tampa-St. Petersburg, FL
23. Cincinnati, OH-KY-IN
24. Kansas City, MO-KS
25. Buffalo, NY
26. Phoenix, AZ
27. San Jose, CA
28. Indianapolis, IN
29. New Orleans, LA
30. Portland, OR-WA

[46 FR 27674, May 21, 1981, as amended at 47 FR 10036, Mar. 9, 1982; 52 FR 22472, June 12, 1987; 53 FR 18564, May 24, 1988; 53 FR 26073, July 11, 1988]

§ 22.904 Power limitations.

Stations in this service shall not be permitted to exceed the effective radiated power indicated below.

	Watts (ERP)
Base stations	500
Mobile stations	7
Auxiliary test stations	7

[53 FR 52175, Dec. 27, 1988]

§ 22.905 Antenna height-power for base stations.

In view of the fact that the predominant characteristic of cellular systems is frequency reuse within a given service area, the effective radiated power (ERP) of base stations with transmitting antennas in excess of 500 feet above average terrain (AAT) must be reduced as shown in the table below, unless coordination is performed and agreements are reached with all neighboring carriers that are within 75 miles.

Antenna height (AAT in feet)	Watts (ERP)
500	500
550	397
600	323
700	223
800	166
900	126
1,000	98
1,250	57
1,500	37
2,000	20
2,500	13
3,000	10
3,500	9
4,000	8
5,000	7

For AATs between the above listed values, linear interpolation should be used.

[53 FR 52175, Dec. 27, 1988]

§ 22.906 Types of emissions and modulation requirements.

(a) Stations in this service shall normally be authorized to use only type F3E emissions for voice transmissions (radiotelephony).

(1) F3E emissions shall be used only on the non-control frequencies designated in § 22.902 of this part.

(2) The instantaneous frequency deviation shall be limited to ±12 kHz.

(3) The maximum audio frequency required for satisfactory radiotelephone intelligibility in this service is considered to be 3 kHz.

(4) Preceding the deviation limiter required under paragraph (d) of this section, a compressor circuit followed by a preemphasis stage shall be required for F3E radiotelephony signal processing. These two circuits shall have the characteristics specified in

the cellular system compatibility specifications. (See § 22.915).

(5) Authorization also permits the use of other frequency modulated emissions, such as data transmissions, provided those emissions conform to the technical requirements applicable for F3E operation, including those requirements contained in the Commission's cellular system compatibility specifications (See § 22.915). The power density of these emissions shall not exceed the power density normally encountered under F3E operation.

(b) For the purpose of selective signaling and control, stations in this service shall normally be authorized to use F3D emissions, as detailed in the Compatibility Specifications. (see § 22.915).

(1) The instantaneous frequency deviation due to the supervisory audio tones shall be ±2 KHz.

(2) The instantaneous frequency deviation due to the signalling tone shall be ±8 KHz.

(c) For the purposes of wideband data transmissions, as detailed in § 22.915, stations in this service shall normally be authorized to use type F9Y emissions. The instantaneous frequency deviation due to this wideband data input shall be ±8 KHz.

(d) Each transmitter shall be equipped with a device that automatically prevents modulation levels for voice transmissions from exceeding the limit specified in paragraph (a). The modulation levels for all other transmissions shall be maintained within ±10 percent of the specified values.

(e) Other types of emissions may be authorized upon an adequate showing of need. An application requesting such authorization shall fully describe the modulation characteristics (for FM include maximum modulating frequency and maximum frequency deviation), emission and bandwidth desired, shall specify the bandwidth to be occupied, and shall state the reasons why such an emission is required.

(f) The authorization to employ any of the various types of modulated emissions in this service shall be construed to include authority to employ unmodulated emissions only for temporary or short periods necessary for equipment testing incident to the construction or maintenance of the radio station.

[46 FR 27674, May 21, 1981, as amended at 49 FR 48701, Dec. 14, 1984; 50 FR 32285, Aug. 9, 1985]

§ 22.907 Emission requirements.

(a) Except as provided in paragraph (c) of this section, some means must be employed to attenuate those signals under F3E radiotelephony operation that are applied to the modulated stage from the modulation limiter, required under § 22.906 of this part.

(1) For F3E radiotelephony emissions from mobile stations, these signals shall be attenuated, relative to the attenuation at 1 kHz, in the following manner:

(i) The signals in the frequency range of 3 kHz to 5.9 kHz and from 6.1 kHz to 15 kHz shall be attenuated by at least 40 $\log_{10}$ (f/3) decibels where (f) is the frequency of the signal in kHz;

(ii) The signals in the frequency range of 5.9 kHz to 6.1 kHz shall be attenuated at least 35 decibels; and

(iii) The signals in the frequency range above 15 kHz shall be attenuated at least 28 decibels.

(2) For F3E radiotelephony emissions from land stations, these signals shall be attenuated, relative to the attenuation at 1 kHz, in the following manner:

(i) The signals in the frequency range of 3 kHz to 15 kHz shall be attenuated by at least 40 $\log_{10}$ (f/3) decibels where (f) is the frequency of the signal in kHz; and

(ii) The signals in the frequency range above 15 kHz shall be attenuated by at least 28 decibels.

(3) No filtering is required of the F3E supervisory audio tones, the F3E signaling tones or the F1D wideband data signals.

(b) Except as provided in paragraph (c) of this section, the mean power of emissions from transmitters operated in the F3E radiotelephony mode in this service shall be attenuated below the mean power of the unmodulated carrier in accordance with the following schedule:

(1) On any frequency removed from the carrier frequency by greater than

20 kHz up to an including 45 kHz: at least 26 decibels; and

(2) On any frequency removed from the carrier frequency by greater than 45 kHz up to the first multiple of the carrier frequency: At least 60 decibels or $43+10 \log_{10}$ (mean output power in watts) decibels, whichever is the lesser attenuation.

(c) In lieu of the requirements of paragraphs (a) and (b) of this section, compliance with the following emission specifications may be demonstrated for transmitters operating in the F3E radiotelephony mode. The mean power of any emission removed from the carrier frequency by a displacement frequency (f_d in kHz) shall be attenuated below the mean power of the unmodulated carrier in accordance with the following schedule:

(1) On any frequency removed from the carrier frequency by greater than 12 kHz up to and including 20 kHz: At least $117 \log_{10} (f_d/12)$ decibels;

(2) On any frequency removed from the carrier frequency by greater than 20 kHz up to the first multiple of the carrier frequency: At least $100 \log_{10} (f_d/11)$ decibels or 60 decibels or $43+10 \log_{10}$ (mean output power in watts) decibels, whichever is the lesser attenuation; and

(3) Mobile stations operating in the F3E radiotelephony mode must still demonstrate compliance with paragraph (a)(1)(ii) of this section.

(d) The mean power of emissions from transmitters operated in the F1D wideband data mode in this service shall be attenuated below the mean power of the unmodulated carrier in accordance with the following schedule:

(1) On the frequency removed from the carrier frequency by more than 20 kHz up to and including 45 kHz: At least 26 decibels;

(2) On any frequency removed from the carrier frequency by more than 45 kHz up to and including 90 kHz: At least 45 decibels; and

(3) On any frequency removed from the carrier frequency by more than 90 kHz up to the first multiple of the carrier frequency: At least 60 decibels or $43+10 \log_{10}$ (mean output power in watts) decibels, whichever is the lesser attenuation.

(e) The mean power of emissions from transmitters operated in this service shall be attenuated below the mean power of the unmodulated carrier on any frequency twice or greater than twice the fundamental frequency by at least $43+10 \log_{10}$ (mean output power in watts) decibels.

(f) The mean power of any emissions appearing in the base station frequency range from mobile transmitters operated in this service shall be attenuated to a level not to exceed −80 dBm at the transmit antenna connector.

(g) The mean power of emissions from transmitters operated in this service in the F3D supervisory audio tone mode shall be attenuated below the mean power of the unmodulated carrier in accordance with paragraphs (b), (c), (e) and (f) of this section, exclusive of paragraph (c)(3) of this section.

(h) The mean power of emissions from transmitters operated in this service in the F3D signaling tone mode shall be attenuated below the mean power of the unmodulated carrier in accordance with paragraphs (d), (e) and (f) of this section.

(i) When any emission from a transmitter operating in this service results in harmful interference to users of another radio service, the Commission may require a greater attenuation of that emission than specified in this section.

(j) Pending the adoption of specific measurement procedures to determine the level of attenuation of spurious emissions, the following spectrum analyzer bandwidth setting should be used:

(1) When operating in the F3E radiotelephony mode or the F3D supervisory audio tone mode:

(i) For any emission less than or equal to 45 kHz removed from the carrier frequency: 300 Hz; and

(ii) For any emission greater than 45 kHz removed from the carrier frequency: 30 kHz

(2) When operating in the F1D wideband data mode or the F3D signaling tone mode:

(i) For any emission less than or equal to 60 kHz removed from the carrier frequency: 300 Hz; and

(ii) For any emission greater than 60 kHz removed from the carrier frequency: 30 kHz.

[46 FR 27674, May 21, 1981, as amended at 49 FR 48701, Dec. 14, 1984]

§ 22.908 Transmitter construction and installation.

The equipment at the operating and transmitting positions shall be so installed and protected that it is not accessible to, or capable of being operated by, persons other than those duly authorized by the licensee. In general, each transmitter used in the Domestic Public Cellular Radio Telecommunications Service shall be so constructed or installed that all controls thereon which may cause off-frequency operation or result in any unauthorized emission shall be protected from access by other than a technically qualified person.

[49 FR 3342, Jan. 26, 1984]

§ 22.909 Control point.

(a) Each cellular system is required to have:

(1) At least one control point.

(2) A person on duty at the control point who is in charge of system operation during the normal rendition of service. The location of the control point may not be moved beyond the boundary of the authorized service area without prior Commission approval.

(b) At each control point, facilities which will permit the operator to turn off base station transmitters shall be installed.

§ 22.910 Station identification.

Cellular land, mobile, or auxiliary test stations in this service shall not be required to transmit identifying call signs.

§ 22.911 Permissible communications.

(a) Mobile Stations in this service are authorized to communicate with and through base stations only. Such communications between base and mobile stations shall be upon frequencies which are paired in the manner set forth in § 22.902.

(b) Base stations in this service are authorized to communicate with associated subscribers; base stations must also render service to properly licensed roamers. Service may be rendered to mobile stations on board vessels.

(c) Auxiliary test stations in this service may operate on either base or mobile station frequencies for the purpose of determining the performance of base or mobile station equipment.

(d) General communications are permitted on cellular frequencies. Dispatch communications are prohibited on cellular frequencies.

[46 FR 27674, May 21, 1981, as amended at 53 FR 52175, Dec. 27, 1988; 55 FR 7900, Mar. 6, 1990; 55 FR 13883, Apr. 12, 1990]

§ 22.912 Responsibility for operational control and maintenance of mobile stations.

(a) The licensee of a base station in this service shall be responsible for exercising effective operational control over all mobile stations with which it communicates. The proper installation, maintenance and repair of such mobile stations shall normally be the responsibility of the cellular system licensee except that customer provided equipment shall be the responsibility of the customer.

(b) A mobile station normally associated with, and licensed to, a specified cellular system will be deemed, when communicating with a different system pursuant to legally effective tariff provisions, to be temporarily associated with and licensed to such different system and the licensee of such different system shall, for such temporary period, assume the same licensee responsibility for such mobile stations as if such stations were regularly licensed to it.

§ 22.913 Content and form of MSA and NECMA applications.

(a) *Contents.* Applications for new stations or for modified facilities increasing the Cellular Geographic Service Area of existing stations shall be filed on FCC Form 401. The following exhibits shall be attached to any such application:

(1) An exhibit including a map or maps of the cellular system's existing Cellular Geographic Service Area, if any, and the Cellular Geographic

Service Area proposed in the application. This exhibit shall contain all the information specified in § 22.903(a). In addition, this exhibit shall include an 8½ by 11 inch reduced copy of the 1:250,000 scale map required by § 22.903(a).

(2) An exhibit containing the engineering data and calculations used to derive the service contours shown. See § 22.903(c).

(3) An exhibit stating how the proposal complies with the Commission's cellular design concepts, and indicating the applicant's projected method for coordinated expansion of the system in response to changing service demands.

(4) An exhibit indicating the basis which the applicant will use to determine whether sufficient congestion exists to warrant cell-splitting.

(5) An exhibit indicating the frequency plan to be used if the application is granted.

(6) An exhibit indicating the applicant's service proposals for local subscribers and roamers, including its method of handling complaints. If no change is made in service proposals previously authorized, this exhibit may be omitted.

(7) An exhibit including full particulars regarding the cost of construction of the proposed facilities and demonstrating how the applicant intends to finance construction. See § 22.917.

(8) Where the applicant is a wireline carrier, an exhibit indicating exactly how its proposed system would interconnect with the landline network. This information must be of sufficient specificity to enable a potential competitor to design its system to connect with the landline system in exactly the same manner if the competitor so chooses.

(9) An exhibit setting forth the information required by § 22.13(a)(1). In addition, all applicants other than publicly traded corporations must disclose parties with any ownership interest in another cellular application for the same market.

(10) Where grant of the application may have a significant environmental impact under § 1.1307 of this chapter, the applicant must submit an environmental assessment, see § 1.1311 of this chapter, and Commission environmental review must be completed prior to the construction of facilities. See § 1.1312 of this chapter.

(b) *Forms of applications.* Applications for construction permits for initial cellular systems in markets beyond the top-120 shall be filed as set forth below:

(1) Hard copies must be enclosed in stiff covers and fastened securely along the left edge without exposed sharp edges (e.g. looseleaf binders, plastic binding strips, covered metal clasps).

(2) The applicant's name and the market, market number and frequency block applied for must appear on the cover of the application.

(3) The initial item inside the application cover shall be a certification that all information required by Form 401 and the Commission's cellular application rules has been included in the application. The certification shall be signed by the person signing the Form 401. The following form shall be used.

CERTIFICATION

[Name of Applicant]

Application for an initial cellular
authorization for [insert market]

[Name of applicant or authorized representative] hereby certifies, under penalties of perjury, that this application for an initial cellular authorization for [insert market] is complete in every respect and contains all of the information required by FCC Form 401 and the Commission's cellular application rules. [Applicant or authorized representative] acknowledges that if, upon Commission inspection, this certification is shown to be incorrect, this application shall be dismissed without further consideration.

[Signature and Title] ——————————

VERIFICATION

I declare, under penalties of perjury, that I am the authorized representative of [name of applicant] in the above-entitled matter; that I have read the foregoing certification; and that the matter and things therein stated are true and correct. Executed on [date].

[Signature]

(4) The initial Form 401 shall immediately follow the certification required by paragraph (3) above, followed by a table of contents. The exhibits specified in § 22.13(a)(1) and (2), and § 22.913(a)(1), (7), (9) and (10) shall immediately follow the initial Form 401 and table of contents, with the remaining exhibits required by § 22.13, § 22.913(a), and the remaining cell sites after that. All exhibits shall be tabbed in accordance with the table of contents.

(5) The exhibits required by § 22.913(a)(3), (4), (6), and (8) shall not exceed three pages in length each.

(c) *Copies.* Each applicant for an initial construction permit in markets beyond the top-120 shall submit an original and one paper copy of its application. In addition, each applicant shall submit two microfiche copies of its application using a 4 x 6 inch positive or negative copy microform, 24X reduction, and enclosed in a paper jacket. The following information must be printed on the jacket: the name of the applicant, the name and number of the market applied for and the frequency block designation. The two jacketed microfiche must be in an envelope accompanying the original application. The envelope must be labeled with the name of the applicant, the name and number of the market applied for and the frequency block designation. Applicants will keep the original of the application until after lottery. The prevailing applicant in the lottery will then be required to submit the original hard copy application within fifteen (15) days of notice of the lottery results. Applicants for other forms of cellular authorizations shall submit an original and two paper copies.

(d) Applications proposing modifications to existing stations which do not involve new facilities, a change in height or power of existing facilities, or a change in CGSA, may be filed on FCC Form 489.

[46 FR 27674, May 21, 1981, as amended at 47 FR 10036, Mar. 9, 1982; 50 FR 20772, May 20, 1985; 50 FR 27953, July 9, 1985; 50 FR 51527, Dec. 18, 1985; 50 FR 53156, Dec. 30, 1985; 51 FR 26896, July 28, 1986; 52 FR 10575, Apr. 2, 1987; 52 FR 22472, June 12, 1987; 53 FR 18564, May 24, 1988; 53 FR 28640, July 29, 1988; 55 FR 20397, May 16, 1990]

EDITORIAL NOTE: For a document relating to an interim waiver of the requirements of § 22.913(a)(8) see 51 FR 4167, Feb. 3, 1986.

§ 22.914 Provision of service to subscribers.

Subscriptions to mobile service shall be afforded to the public within the licensee's Cellular Geographic Service Area in chronological order of filing of request for service, except under emergency conditions. Prospective subscribers shall be informed of the area in which reliable service can be expected. If a licensee turns away a request for service due to lack of capacity it shall report that fact to the Commission and indicate how it plans to remedy its lack of capacity.

§ 22.915 Cellular system compatibility specification.

(a) The technical specifications for compatibility of mobile and base stations in the Domestic Public Cellular Radio Telecommunications Service are contained in the "Cellular System Mobile Station-Land Station Compatibility Specification" (April 1981 Ed.), Office of Engineering and Technology Bulletin No. 53. This bulletin is contained in Appendix D to the Report and Order in CC Docket No. 79-318, and is printed in the FEDERAL REGISTER, of May 21, 1981.

(b) Copies of the current edition of the compatibility specification are available for inspection at the following locations:

Office of the Common Carrier Bureau, Federal Communications Commission, 1919 M Street, NW., Washington, D.C.

Office of Engineering and Technology, Federal Communications Commission, 2025 M Street, NW., Washington, D.C.

(c) Copies of the compatibility specifications may be ordered from the Commission's copying contractor.

(d) Certain special operational features beyond those specified in OET Bulletin No. 53 may be activated by either the base or mobile transmitter, at the option of the local cellular licensee. These features were developed by a joint industry consensus utilizing the "reserved" bits in the wideband data transmissions. The use of these special operational features is permissible as long as the compatibility of the equipment within the cellular radio service, as specified in OET Bulletin No. 53, is not affected and the regulations governing equipment and operation in the cellular service are followed. These special features are detailed in the Electronic Industries Association Interim Standard CIS-3. Prospective manufacturers or system licensees may wish to refer to the latest version of that standard for further information.

[44 FR 60572, Oct. 19, 1979, as amended at 48 FR 30130, June 30, 1983; 51 FR 12616, Apr. 14, 1986]

§ 22.916 Evaluation of cellular applications.

(a) Mutually exclusive applications for the top-30 cellular markets listed in § 22.903(e) that are acceptable for filing and meet our basic qualifying issues shall be designated for a comparative hearing. Applications involving basic qualifying issues shall also be designated for hearing on those particular issues, on an expedited basis, as described in paragraph (b) of this section. The comparative hearing shall be conducted by an Administrative Law Judge named in the designation order or a subsequent order.

(b) Expedited hearings procedures for the top-30 cellular markets. The following procedures shall apply to hearings in the top-30 cellular markets in the Domestic Public Cellular Radio Telecommunications Service.

(1) The affirmative direct case, including all documentary evidence upon which an applicant intends to rely in a comparative context, must be submitted within 30 days of the date of publication in the FEDERAL REGISTER of the order designating the application for hearing. An original and four copies must be filed: Two to the Mobile Services Division, Common Carrier Bureau, two for the Office of Administrative Law Judges, and one for the Common Carrier Bureau's Separated Trial Staff. The burden will be on each applicant to obtain copies of its mutually exclusive opponent's exhibits in a timely manner, either from the opponents or by duplicating the Commission's copies. We expect all parties to cooperate in making available materials to each other upon request.

(2) Interested parties have thirty days from the date that an application is placed on Public Notice as accepted for filing to submit petitions to deny. Applicants have 15 days to file replies; no further pleadings will be accepted.

(3) Parties have ten days from publication in the FEDERAL REGISTER of the hearing designation order to file notices or appearance.

(4) Rebuttal cases must be filed within forty-five days of the date the direct cases are required to be filed. Four copies of the rebuttal case must be filed with the Commission and a copy served on each other party to the proceeding.

(5) The judge will schedule a first hearing session as soon as practicable after the date for filing rebuttal evidence. This first session will be an evidentiary admission session at which each applicant will identify and offer its prviously circulated direct and rebuttal exhibits, and each opponent and the Separated Trial Staff will have a chance to lodge any objections.

(6) After accepting the exhibits into evidence, the judge will entertain any motions to cross-examine and will rule whether any sponsoring witness needs to be produced for cross-examination. Determination of what, if any cross-examination is necessary is within the sound judicial discretion of the judge, the prevailing standard being whether the person requesting cross-examination has persuasively demonstrated that written evidence is ineffectual to develop proof. If cross-examination is necessary, the presiding judge will specify a date for the appearance of all witnesses. In addition, if the designation order points out an area where additional underlying data is needed, the judge will have the authority to permit the limited use of discovery procedures. Finally, the presiding officer may find that certain additional testimony or cross-examination is needed to provide a complete record for the Commission. If so, the judge may schedule a further session.

best copy available

(7) After the hearing record is closed, the judge may request Proposed Findings of Fact and Conclusions of Law to be filed within thirty days of the final hearing session. Replies are not permitted except in unusual cases and then only with respect to the specific issues named by the judge.

(8) The judge will then issue an Initial Decision, preferably within sixty days of receipt of the last pleadings. If mutually exclusive applications are before the judge, the judge will determine which is most qualified for the SMSA at issue. The judge may also rank the applicants in order of merit if there are more than two.

(9) Parties will have thirty days in which to file exceptions to the Initial Decision. The Common Carrier Bureau has authority to determine, at the time of designation for hearing, that such exceptions will be taken directly to the Commission rather than to the Review Board.

(c) Evaluation of cellular applications for markets below the top-30 and for Rural Service Areas. Mutually exclusive cellular applications for markets below the top-30 and for Rural Service Areas shall be randomly selected according to the procedures set forth in § 22.33 and § 1.822 et. seq.

[47 FR 10036, Mar. 9, 1982, as amended at 47 FR 50699, Nov. 9, 1982; 48 FR 26822, June 10, 1983; 49 FR 23648, June 7, 1984; 51 FR 26897, July 28, 1986]

§ 22.917 Demonstration of financial qualifications.

(a) *Top-120 markets.* (1) Applications for new stations or modified facilities shall demonstrate the applicant's financial ability to meet the realistic and prudent:

(i) Estimated costs of proposed construction and other initial expenses; and

(ii) Estimated operating expenses for a period of one year, depending upon the nature of service proposed and the degree of business uncertainty or risk.

(2) Resources used to demonstrate an applicant's financial ability under paragraph (a)(1) of this section cannot include funds committed to another project, or committed in another cellular application.

(3) Except as provided in paragraph (d) of this section, each application shall demonstrate an applicant's financial ability as set forth in paragraph (a)(1) of this section by submitting the following financial information, the information required by paragraph (a)(3)(iii) of this section, and whatever other information or details the Commission may require:

(i) A balance sheet current within ninety (90) days of the date of the application and copies of any financial commitments (for example, loan agreements and service contracts) in support of the proposed facilities; and

(ii) Whenever the submissions of paragraph (a)(3)(i) of this section do not satisfy the standard established in paragraph (a)(1) of this section, the applicant shall submit such additional information (e.g., a current income statement, and, for the period of proposed construction plus an initial year of operation, a statement of projected revenues and expenses, a statement of projected sources and application of funds, etc.) as is necessary to demonstrate financial ability.

(iii) The following additional information shall be submitted on any form of intended credit arrangement or equity placement:

(A) The details of any loan or other form of credit arrangement intended to be utilized to finance the proposed construction, acquisition, or operation of the requested facilities including such information as the identity of the creditor (or creditors), letters of commitment, terms of the transaction, and a statement that paragraph (e) of this section is complied with; and

(B) The details of any sale or placement of any equity or other form of ownership interest.

(b) *Markets beyond the top-120*—(1) *New facilities.* The tentative selectee chosen in a random selection process conducted pursuant to §§ 1.822 and 22.33(a) of these rules, the surviving applicant in a full-market settlement of all mutually exclusive cellular applications for a market, and any unopposed applicant for an initial cellular authorization shall, within 30 days of the Public Notice announcing such status, obtain a firm financial commitment for the financing necessary to construct and operate for one year its proposed cellular system and shall amend its application to so demonstrate. The amendment shall also include the realistic and prudent estimated costs of proposed construction and other initial expenses; estimated operating expenses for a period of one year; and a balance sheet current within 30 days of the date of the filing of the amendment.

(i) The firm financial commitment required above shall be from a recognized bank or other financial institution and shall evidence the lender's determination that it has assessed the creditworthiness of the loan applicant and that it is committed to providing the necessary financing, including any actions required of the applicant to continue the commitment in force. Applicants obtaining financing from other than a recognized lending institution must submit proof that the financing entity has such funds available and uncommitted to another cellular application.

(ii) An applicant relying on internal financing must submit the information required by § 22.917(a)(3), current within 90 days of the submission date of the financial information, in conformance with generally accepted accounting principles, to demonstrate its financial ability.

(c) *Rural Service Areas.* (1) A nonwireline applicant for a new station shall demonstrate, at the time it files its application that it has either a firm financial commitment or available financial resources necessary to construct and operate for one year its proposed cellular system. The firm financial commitment may be contingent on the applicant obtaining a construction permit. The same commitment may be used for each application filed, subject to the following provisions:

(i) Where a non-wireline applicant provides a firm financial commitment that is not contingent upon the applicant obtaining a construction permit, the commitment need not be market specific and may be applied to any market or markets applied for as long as the commitment is sufficient to cover the costs of the proposed RSA systems.

(ii) Where a non-wireline applicant provides a firm financial commitment that is contingent upon the applicant obtaining a constuction permit and that is restricted on its face to a specific market or markets, the commitment may be used only for the markets to which it refers and must be sufficient to cover the costs of the proposed RSA systems.

(iii) Where a non-wireline applicant provides a firm financial commitment that is contingent upon the applicant obtaining a construction authorization and that indicates that the bank or lending institution has reviewed the projects for which the applicant is applying, but the commitment is not restricted to any specific market, it may be applied to any market or markets applied for as long as the commitment is sufficient to cover the costs of the proposed RSA systems.

(2) If a non-wireline applicant does not win in a lottery, it may reapply its commitment to its applications for the next lottery consistent with the requirements of paragraph (c)(1) of this section.

(3) A non-wireline applicant that wins in more than one market shall file the firm financial commitment for the additional market or markets within 30 days after the public notice date when it is announced as the lottery winner of the additional market, unless its first firm financial commitment is sufficient to cover the costs of the additional market(s).

(4) The demonstration of commitment must include and be sufficient to cover the realistic and prudent estimated costs of construction, operating and other initial expenses for one year.

(5) The firm financial commitment required above shall be obtained from a state or federally chartered bank or savings and loan association, another recognized financial institution, or the financial arm of a capital equipment supplier and shall contain a statement that the lender—

(i) Has examined the financial condition of the applicant including audited financial statements where applicable, and has determined that the applicant is creditworthy;

(ii) That the lender has examined the financial viability of each RSA proposal for which the applicant intends to use the commitment;

(iii) That the lender is committed to providing a sum certain to the particular applicant;

(iv) That the lender's willingness to enter into the commitment is based solely on its relationship with the applicant; and

(v) That the commitment is not in any way guaranteed by any entity other than the applicant.

(6) Non-wireline applicants intending to rely on personal or internal resources must submit—

(i) Audited financial statements certified within one year of the date of the cellular application, indicating the availability of sufficient net current assets to construct and operate the proposed cellular system for one year;

(ii) A balance sheet current within 60 days of the date of filing that clearly shows the continued availability of sufficient net current assets to construct and operate the proposed cellular system for one year; and

(iii) A certification by the applicant or an officer of the applicant organization attesting to the validity of the unaudited balance sheet.

(7) Non-wireline applicants intending to rely upon financing obtained through a parent corporation must submit the information required by § 22.917(c)(6) (i) through (iii), as the information pertains to the parent corporation.

(d) Each application for an assignment of a license (or permit), or for the transfer of control of a corporation holding a license (or permit), shall demonstrate the financial ability of the proposed assignee or transferee to acquire and operate the facilities by submitting adequate financial information under the guidelines specified in this section, as appropriate.

(e) *Notice upon default.* In addition to the disclosures required by paragraph (d) of this section, any loan or other credit arrangement providing for a chattel mortgage or secured interest in any proposed radio station facility must include a provision for a minimum of ten (10) days prior written notification to the licensee or permittee, and to the Commission, before any such equipment may be repossessed under default provision of the agreement.

[50 FR 51528, Dec. 18, 1985, as amended at 52 FR 10575, Apr. 2, 1987; 53 FR 18092, May 20, 1988; 53 FR 27165, July 19, 1988; 54 FR 23662, June 2, 1989]

§ 22.918 Amendment of cellular applications.

(a) *Top-90 markets.* Minor and technical amendments and those required by § 1.65 of the rules, but no major amendments as defined in § 22.23(c), may be proffered within forty-five days of public notice of the filing of an application for the top-90 cellular modified Metropolitan Statistical Areas.

(b) *Markets below the top-90 and Rural Service Areas.* Amendments for applications for below-90 cellular markets may not be filed prior to conduct of the lottery for the market applied for. The tentative selectee may file minor amendments, but no major amendments except for those listed in § 22.23(g). Information required by § 1.65 shall be filed within 14 days of publication of the Public Notice announcing the tentative selectee in markets below the top-90 and within 30 days of the Public Notice announcing the lottery results for all applications to serve Rural Service Areas.

(c) Notwithstanding the general cellular amendment rules specified in paragraphs (a) and (b) of this section, the amendments described in paragraphs (c) (1) through (3) of this section may be filed as specified therein:

(1) Amendments in connection with full settlement agreements under § 22.29 of the rules, or partial settlements resulting in a merger of interests between two or more mutually exclusive parties may be filed at any time.

(2) Amendments requested by the Commission or the Administrative Law Judge may be filed at any time.

(3) After an application is designated for hearing, amendments may be filed for good cause upon leave of the presiding officer.

[49 FR 23648, June 7, 1984, as amended a 51 FR 26897, July 28, 1986]

§ 22.919 Restrictions on motions to enlarge issues.

In comparative hearing proceedings involving markets other than the top 60, motions to enlarge issues filed under § 1.229(a) of the Rules will not be entertained by the presiding judge unless the facts in question were not in existence or ascertainable on the date a petition to deny the application was due. In the absence of such a showing, the movant must meet the burden imposed by § 1.229(c).

[48 FR 26822, June 10, 1983]

§ 22.920 Considerations involving transfer or assignment applications for cellular authorizations.

(a) The provisions of § 22.40 of this part shall apply to transfers or assignments of cellular authorizations except as provided in § 22.920(b).

(b) This section does not apply to:

(1) The trading of an ownership interest in a construction permit for a cellular system in one market for a commensurate interest in another cellular market.

(2) Cellular licenses (*i.e.*, stations constructed) obtained by random selection.

[49 FR 23649, June 7, 1984, as amended at 52 FR 10575, Apr. 2, 1987]

§ 22.921 Ownership in applications for cellular service for markets below the top-90.

(a) *Markets 91-120.* No party may have an ownership interest, direct or indirect, in more than one application for the same MSA market, or have a mutually exclusive application for the same non-MSA/non-NECMA area, except that interests of less than one percent will not be considered.

(b) *Markets beyond the top-120 and Rural Service Areas*—(1) *General.* Except as otherwise provided herein, no party may have an ownership interest, direct or indirect, in more than one application for the same MSA or NECMA market, except that interests of less than one percent will not be considered. For Rural Service Areas, no party to a non-wireline application shall have an ownership interest, direct or indirect, in more than one application for the same Rural Service Area, including an interest of less than one percent. No party to a wireline application shall have an ownership interest, direct or indirect, in more than one application for the same Rural Service Area, except that interests of less than one percent will not be considered.

(2) *Ownership interests in publicly-traded corporate applicants.* Notwithstanding paragraph (b)(1) of this section, no party may have an ownership interest, direct or indirect, in mutually exclusive applications filed by publicly-traded corporations for an MSA market, a non-MSA/non-NECMA area, or a Rural Service Area, except that interests of less than five percent will not be considered.

(c) *Application.* In applying the provisions of paragraph (b), ownership and other interests in cellular applicants will be attributed to their holder and deemed cognizable as set forth below.

(1) *Passive investors.* Investment companies, as defined in 15 U.S.C. 80a-3, insurance companies, and banks holding stock through their trust departments in trust accounts will be deemed to have a cognizable interest in a publicly-traded cellular applicant only if they hold 10 percent or more of the stock of the applicant. This provision applies only if an applicant in which such parties hold an interest certifies in its application that no such party has exerted or attempted to exert any influence or control over the officers of the applicant.

(2) *Multiplier.* Attribution of ownership interests in a publicly-traded cellular applicant that are held indirectly by any party through one or more intervening corporations will be determined by successive multiplication of the ownership percentages for each link in the vertical ownership chain and application of the relevant attribution benchmark to the resulting product, except that wherever the ownership percentage for any link in the chain exceeds 50 percent, it shall not be included for purposes of this multiplication.

[50 FR 20772, May 20, 1985, as amended at 53 FR 18094, May 20, 1988]

§ 22.922 Transfers and assignments of applications, permits or licenses in Rural Service Areas.

(a) Notwithstanding any other section of this Part, the sale, transfer, assignment or other alienation of any cellular application to offer service to Rural Service Areas is prohibited prior to the grant of a construction authorization. This restriction on transfers of interests in such cellular applications shall include any form of alienation, including option arrangements and agreements, as well as equity and debt placement plans.

[53 FR 18094, May 20, 1988]

§ 22.923 Content and form of Rural Service Area applications.

(a) Applications for new stations or for modified facilities increasing the Cellular Geographic Service Area of existing stations shall be filed on FCC Form 401. The following exhibits shall be attached to any such application:

(1) An exhibit including a map or maps of the cellular system's existing Cellular Geographic Service Area, if any, and the Cellular Geographic Service Area proposed in the application. This exhibit shall contain all the information specified in § 22.903 (a)(1). In addition, this exhibit shall include an 8½ by 11 inch reduced copy of a 1:250,000 or 1:500,000 scale map, depicting the complete RSA and any CGSA(s) therein. Boundaries of the RSA, CGSA(s), and 39 dBu contours must be clearly indicated. required by § 22.903(a). The full-size map need not be included in the microfiche copies of the application, but must be present in the original application from which the microfiche is made. For microfiching purposes, the reduced map is sufficient.

(2) An exhibit containing the engineering data and calculations used to derive the service contours shown. See § 22.903(c).

(3) An exhibit stating how the proposal complies with the Commission's cellular design concepts, and indicating the applicant's projected method for coordinated expansion of the system in response to changing service demands.

(4) An exhibit indicating the basis which the applicant will use to determine whether sufficient congestion exists to warrant cell-splitting.

(5) An exhibit indicating the frequency plan to be used if the application is granted.

(6) An exhibit indicating the applicant's service proposals for local subscribers and roamers, including its method of handling complaints. If no change is made in service proposals previously authorized, this exhibit may be omitted.

(7) For new stations only, an exhibit including full particulars regarding the cost of construction of the proposed facilities and demonstrating how the applicant intends to finance construction. See § 22.917.

(8) Where the applicant is a wireline carrier, an exhibit indicating exactly how its proposed system would interconnect with the landline network. This information must be of sufficient specificity to enable a potential competitor to design its system to connect with the landline system in exactly the same manner if the competitor so chooses.

(9) An exhibit setting forth the information required by § 22.13(a)(1). Individual applicants holding less than 5% interest in a publicly held company must disclose the fact that the corporation and the applicant both have filed applications in the same RSA, its disclosure must include its percentage interest held in the company.

(10) An exhibit indicating the state and counties included in the applicant's CGSA.

(11) An exhibit indicating whether a grant of the application will be a major action under § 1.1305 of the Commission's Rules.

(b) Applications for construction permits for initial cellular systems for Rural Service Areas shall be filed as set forth below:

(1) Two microfiche copies of each application must be submitted and enclosed in microfiche jackets and be placed in a sealed 5 inch x 7½ inch microfiche envelope. One microfiche jacket shall be labeled "Original" and the other jacket labeled "Copy". The microfiche must be reproduced only in negative form and in black and white

(blue/black film which appears black to the naked eye is acceptable). The original microfiche must be of archival quality as defined in § 22.2 of these Rules. Applicants are required to submit a Transmittal Sheet For Cellular Applications, copies of which may be obtained by contacting the Consumer Assistance Office, Federal Communications Commission, 1919 M Street, NW., Washington, DC 20554.

(2) Within seven (7) days of the release date of the public notice announcing the lottery results, the applicant selected first in the lottery shall submit the original and two hard copies of the application which must be enclosed in stiff covers and fastened securely along the left edge without exposed sharp edges (e.g., looseleaf binders, plastic binding strips, covered metal clasps).

(3) For initial RSA applications, FAA notification should not be made at the time of filing. Upon release of the public notice designating the tentative selectee, the applicant so designated must file Notice of Proposed Construction or Alteration (FAA Form 7460-1) with the FAA for any antenna or tower sites requiring FAA notification. Block 3A of FAA Form 7460-1 must contain the RSA number after the phone number so that the completed form can be associated with the proper application.

(4) FCC Form 401, Schedule B, Page 3, must contain the RSA number after the applicant's name so that the form may be reassociated with the application after proper clearances have been obtained.

(5) The applicant's name and the market, market number and frequency block applied for must appear at top right hand corner of each microfiche application. In addition the applicant's name and the market, market number and frequency block must also appear on a 5 inch x 7½ inch microfiche envelope, which shall contain the microfiche applications. This information must be clearly labeled in print or mechanically reproduced. In addition, the information on the transmittal sheet and on the microfiche envelope must be identical.

(6) The completed transmittal sheet, the filing fee, and the microfiche envelope shall be placed in a 9 inch x 12 inch sealed enveloped. The applicants name and RSA market number must prominently be displayed in the center of the envelope for all applications sent by mail and placed in the lower left hand corner for applications delivered to the Strip Commerce Center Facility.

(7) All applicants must certify to the following on the Transmittal Sheet:

CERTIFICATION

I hereby certify, under penalties of perjury, this application for an intital cellular authorization is complete in every respect and contains all of the information required by FCC Form 401 and the Commission's cellular application rules. I acknowledge that if, upon Commission inspection, this certification is shown to be incorrect, this application shall be dismissed without further consideration.

I also certify the applicant is the real party in interest in this application and there are no agreements or understandings, other than those specified in this application, which provide that someone other than the applicant shall have an indirect or direct ownerhip interest. It is also certified that the application intends to construct and operate the station as proposed and that there are no agreements or understandings that are inconsistent with that intent.

I declare, under penalties of perjury, that I am the authorized representative of the above-named applicant in the above entitled matter, that I have read the foregoing certification; and the matter and things therein stated are true and correct.

Executed on
—[date] ————————————
—Signature ————————————
Type/Print Name ————————————
Type/Print Title ————————————

All persons signing the Certification must do so using ink. No mechanical reproduction of signatures may be used.

(c) Applications proposing modifications to existing stations which do not involve new facilities, an increase in height or power of existing facilities, or an increase of any CGSA boundary, may be filed on FCC Form 489.

(1) Applications to extend the 39 dBu contours beyond the borders of the RSA once the original RSA application is granted must be accompanied by a detailed engineering justification

demonstrating the necessity for such extensions.

[53 FR 18564, May 24, 1988; 53 FR 28640, July 29, 1988]

§ 22.930 Special provisions for alternative cellular technologies and auxiliary services.

Provided that interference to other cellular systems is not created, and service to roamers whose mobile equipment conforms to OST 53 is offered, cellular licensees may employ alternative cellular technologies and auxiliary common carrier services in the frequency bands 824–849 MHz and 869–894 MHz, except on the cellular control channels. The only fixed service permitted under this section is Basic Exchange Telecommunications Radio Service. These special provisions will be referred to as the cellular service option. The cellular service option may be exercised subject to the following requirements:

(a) Cellular licensees may offer advanced cellular technology or auxiliary mobile communication services on a secondary basis. The cellular licensee will be responsible for all operations in its authorized frequency block and service area.

(b) Cellular licensees are required to inform the Commission of the new technology or new services to be provided under the cellular service option by filing Form 489, pursuant to the requirements specified in § 22.117, at least thirty days prior to the implementation of the services. The information required to be filed with the Commission includes a description and classification of the services intended to be offered, and a listing of any new or modified transmitting facilities.

(c) Operations under the cellular service option are subject to the technical requirements in §§ 22.903, 22.904 and 22.905. The emission requirements of § 22.907 will be applied, but only to the extent of those emissions that fall outside the specific cellular frequency bands licensed to the operator, i.e., band A or band B. Mobile transmitters are subject to type acceptance in accordance with Part 2 of the Rules.

(d) A cellular licensee's CGSA will be based on cellular facilities only. The 39 dBu contours of auxiliary service facilities will not be considered when demonstrating the 75 percent coverage requirement specified in § 22.903. In addition, the 39 dBu contours of auxiliary service facilities must be contained within the CGSA. Furthermore, the construction of an auxiliary service facility does not satisfy the construction requirements of § 22.43(c).

(e) Operations under the cellular service option are not subject to the channeling requirements of § 22.902, the types of emissions and modulation requirements of § 22.906, or the emission requirements of § 22.907. The requirements of § 22.911 pertaining to permissible communications shall apply under the cellular service option, except for the channel pairing requirement.

(f) For mobile stations and subscriber stations used to provide Basic Exchange Telecommunications Radio Service, the information in paragraph (b) of this section must include: the number to be placed in service, the manufacturer's name, the FCC identification number, and the specific frequencies of operation. In addition, information shall include emission, bandwidth and frequency tolerance data demonstrating compliance with the rules.

(g) For base stations providing services under this section, the information in paragraph (b) of this section must include: the manufacturer's name, the FCC identification number, the model number, the rated output power, the specified frequencies of operation, the frequency tolerance, the modulation type, the emission profile, and the antenna location, elevation, orientation, and pattern. In addition, information shall include calculations at eight equally spaced intervals around the service contour where calculations verify compliance with the aggregate field strength limit.

(h) Operations under the cellular service option are subject to frequency coordination in accordance with § 22.902(d) and the following requirements. The cellular system operator must perform an engineering analysis to ensure that interference will not occur from implementation of auxiliary services or alternative cellular technologies. The operator must obtain the concurrence of other cellular systems on the same frequency block within 75 miles.

[54 FR 52176, Dec. 27, 1988, as amended at 55 FR 7900, Mar. 6, 1990]

Subpart L—Offshore Radio Telecommunications Service

§ 22.1000 Eligibility.

Offshore central station licenses may be licensed to communications common carriers. Offshore subscriber stations may be licensed to common carriers or users of the service.

[49 FR 3342, Jan. 26, 1984]

§ 22.1001 Frequencies.

(a) On a shared basis with television broadcasting Channel 17, the following frequencies are for assignment to stations of communication common carriers in the Zone specified in Table A of this paragraph together with the classes of station(s) to which they are normally assigned and the specific limitations which are enumerated in the explanatory notes:

Offshore central station frequencies (megaHertz)	Offshore subscriber frequencies (megaHertz)	Limitations
488.025	491.025	(1)
488.050	491.050	(1)
488.075	491.075	(1)
488.100	491.100	(1)
488.125	491.125	(1)
488.150	491.150	(1)
488.175	491.175	(1)
488.200	491.200	(1)
488.225	491.225	(1)
488.250	491.250	(1)
488.275	491.275	(1)
488.300	491.300	(1)
488.325	491.325	(1)
488.350	491.350	(1)
488.375	491.375	(1)
488.400	491.400	(1)
488.425	491.425	(1 2)
488.450	491.450	(1 2)
488.475	491.475	(1 2)
488.500	491.500	(1 2)
488.525	491.525	(1 2)
488.550	491.550	(1 2)
488.575	491.575	(1 2)
488.600	491.600	(1 2)
488.625	491.625	(1 2)
488.650	491.650	(1 2)
488.675	491.675	(1 2)
488.700	491.700	(1 2)
488.725	491.725	(2)
488.750	491.750	(2)
488.775	491.775	(2)
488.800	491.800	(2)
488.825	491.825	(2)
488.850	491.850	(2)
488.875	491.875	(2)
488.900	491.900	(2)
488.950	491.950	(2)
489.000	492.000	(2)
489.025	492.025	(2)
489.050	492.050	(2)
489.075	492.075	(2)
489.100	492.100	(2)
489.125	492.125	(2)
489.150	492.150	(2)
489.175	492.175	(2)
489.200	492.200	(2)
489.225	492.225	(2)
489.250	492.250	(2)
489.275	492.275	(2)
489.300	492.300	(2)
489.325	492.325	(2)
489.350	492.350	(2)
489.375	492.375	(2)
489.400	492.400	(2)
489.425	492.425	(2)
489.450	492.450	(2)
489.475	492.475	(2)
489.500	492.500	(2)
489.525	492.525	(2)
489.550	492.550	(2)
489.575	492.575	(2)
489.600	492.600	(2)
489.625	492.625	(2)
489.650	492.650	(2)
489.675	492.675	(2)
489.700	492.700	(2)
489.725	492.725	(2)
489.750	492.750	(2)
489.775	492.775	(2)
489.800	492.800	(2)
489.825	492.825	(2)
489.850	492.850	(2)
489.875	492.875	(2)
489.900	492.900	(2)
489.925	492.925	(2)
489.950	492.950	(2)
489.975	492.975	(2)
490.000	493.000	(2)

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[1] These frequencies will be assigned for voice grade general communications.

[2] These frequencies may be assigned for private line service.

[3] These frequencies are available for emergency communications involving protection of life and property.

[4] These frequencies may be assigned to radio relay stations upon a satisfactory showing as to why it is impracticable to achieve the requisite communication without the use of radio relay stations operating on such frequencies.

[5] These frequencies shall be used only for emergency auto alarm and voice transmission pertaining to emergency conditions.

[6] These frequencies may be used for emergency shut-off remote control telemetry, environmental Data Acquisition and Dissemination, or facsimile transmissions.

TABLE A—FREQUENCY AVAILABILITY FOR OFFSHORE RADIO SERVICE USE

Offshore	Boundaries of zone	Frequencies (megaHertz)
Southern Louisiana (Zone A).	From long. 87°45′ on the east to long. 94°00′ on the west and from the 3-mile limit along the Gulf of Mexico shoreline on the north to the limit of the Outer Continental Shelf on the south.	Channel 17, 488–490, 491–493.

(b) On a shared basis with television broadcasting Channel 16, the following frequencies are for assignment to stations of communication common carriers in the zone specified in Table B of this paragraph together with the classes of station(s) to which they are normally assigned. These frequencies will be assigned for voice grade general communications and may be assigned for private line service.

Offshore central station frequencies (megaHertz)	Offshore subscriber station frequencies (megaHertz)	Offshore central station frequencies (megaHertz)	Offshore subscriber station frequencies (megaHertz)
485.025	482.025	486.025	483.025
485.050	482.050	486.050	483.050
485.075	482.075	486.075	483.075
485.100	482.100	486.100	483.100
485.125	482.125	486.125	483.125
485.150	482.150	486.150	483.150
485.175	482.175	486.175	483.175
485.200	482.200	486.200	483.200
485.225	482.225	486.225	483.225
485.250	482.250	486.250	483.250
485.275	482.275	486.275	483.275
485.300	482.300	486.300	483.300
485.325	482.325	486.325	483.325
485.350	482.350	486.350	483.350
485.375	482.375	486.375	483.375
485.400	482.400	486.400	483.400
485.425	482.425	486.425	483.425
485.450	482.450	486.450	483.450
485.475	482.475	486.475	483.475
485.500	482.500	486.500	483.500
485.525	482.525	486.525	483.525
485.550	482.550	486.550	483.550
485.575	482.575	486.575	483.575
485.600	482.600	486.600	483.600
485.625	482.625	486.625	483.625
485.650	482.650	486.650	483.650
485.675	482.675	486.675	483.675
485.700	482.700	486.700	483.700
485.725	482.725	486.725	483.725
485.750	482.750	486.750	483.750
485.775	482.775	486.775	483.775
485.800	482.800	486.800	483.800
485.825	482.825	486.825	483.825
485.850	482.850	486.850	483.850
485.875	482.875	486.875	483.875
485.900	482.900	486.900	483.900
485.925	482.925	486.925	483.925
485.950	482.950	486.950	483.950
485.975	482.975	486.975	483.975
486.000	483.000	477.050	480.050

TABLE B—FREQUENCY AVAILABILITY FOR OFFSHORE RADIO SERVICE USE

Offshore zone	Boundaries of zone	Frequencies (megaHertz)
Southern Louisiana-Texas (Zone B).	From longitude 87°45′ on the east to longitude 95°00′ on the west and from the 3-mile limit along the Gulf of Mexico shoreline on the north to the limit of the Outer Continental Shelf on the south.	Channel 16, 482–484, 485–487.

(c) On a shared basis with TV broadcast Channel 15, the following frequencies are for assignment to stations of communication common carriers in the zone specified in Table C of this paragraph together with the classes of station(s) to which they are normally assigned. These frequencies will be assigned for voice grade general communications and may be assigned for private line service.

Offshore central station frequencies (megaHertz)	Offshore subscriber station frequencies (megaHertz)	Offshore central station frequencies (megaHertz)	Offshore subscriber station frequencies (megaHertz)
476.025	479.025	477.075	480.075
476.050	479.050	477.100	480.100
476.075	479.075	477.125	480.125
476.100	479.100	477.150	480.150
476.125	479.125	477.175	480.175
476.150	479.150	477.200	480.200
476.175	479.175	477.225	480.225
476.200	479.200	477.250	480.250
476.225	479.225	477.275	480.275
476.250	479.250	477.300	480.300
476.275	479.275	477.325	480.325
476.300	479.300	477.350	480.350
476.325	479.325	477.375	480.375
476.350	479.350	477.400	480.400
476.375	479.375	477.425	480.425
476.400	479.400	477.450	480.450
476.425	479.425	477.475	480.475
476.450	479.450	477.500	480.500
476.475	479.475	477.525	480.525
476.500	479.500	477.550	480.550
476.525	479.525	477.575	480.575
476.550	479.550	477.600	480.600
476.575	479.575	477.625	480.625
476.600	479.600	477.650	480.650
476.625	479.625	477.675	480.675

Offshore central station frequencies (megaHertz)	Offshore subscriber station frequencies (megaHertz)	Offshore central station frequencies (megaHertz)	Offshore subscriber station frequencies (megaHertz)
476.650	479.650	477.700	480.700
476.675	479.675	477.725	480.725
476.700	479.700	477.750	480.750
476.725	479.725	477.775	480.775
476.750	479.750	477.800	480.800
476.775	479.775	477.825	480.825
476.800	479.800	477.850	480.850
476.825	479.825	477.875	480.875
476.850	479.850	477.900	480.900
476.875	479.875	477.925	480.925
476.900	479.900	477.950	480.950
[1] 476.950	[1] 479.950	477.975	480.975
477.000	480.000		
477.025	480.025		

[1] Superscript (1) indicates frequencies shall be used only for emergency auto alarm and voice transmission pertaining to emergency conditions.

TABLE C—FREQUENCY AVAILABILITY FOR OFFSHORE RADIO SERVICE USE

Offshore zone	Boundaries of zone	Frequencies (megaHertz)
Southern Texas 15 (Zone C).	Longitude 94°00′ on the east, the 3 mile limit on the north and west, a 175 mile radius from the reference point at Linares, N.L., Mexico on the southwest, Latitude 26°00′ on the south, and the limits of the outer continental shelf on the southeast.	Channel 476–478, 479–481.

(d) All frequencies listed in this section are subject to the following conditions:

(1) No fixed or temporary-fixed stations shall be located and no mobile stations shall be operated outside the limits of the respective Zones specified in Tables A, B, and C of this section.

(2) All classes of stations in the Offshore Radio Telecommunications Service shall afford protection to co-channel full service television stations in accordance with the values set out in Table D of this paragraph (d). In using Table D of this paragraph (d), the maximum permissible effective radiated power is determined as follows:

(i) Using the method specified in §73.611, determine the distance between the proposed station and the protected co-channel television station. If the exact mileage does not appear in Table D of this paragraph (d), the next lower mileage separation figure is to be used.

(ii) Enter the table at the mileage figure found in paragraph (d)(2)(i) of this section. Opposite this mileage figure, ERPs are given that may be used for antenna heights of 100, 150 or 200 feet above sea level. If the exact antenna height is not shown, the ERP allowed will be that shown for the next higher antenna height.

(iii) If the power found to be permitted following this procedure is lower than that determined hereafter from Table E of this paragraph (d), this lower figure is the maximum power that may be employed at the proposed station.

(3) All classes of stations in the Offshore Radio Telecommunications Service shall afford protection to adjacent channel full service television stations in accordance with the values set out in Table E of this paragraph (d).

(4) No airborne subscriber station shall be operated with an effective radiated power in excess of 1 watt or at heights in excess of 1000 feet above mean sea level. Airborne subscriber stations using Channel 17 frequencies shall not be operated outside the limits of the Zone specified in Table A of this section. Further, to provide adjacent channel protection to TV Channel 18, these stations shall not operate within a 128.8 km (80 mile) radial distance to Lakes Charles, Louisiana. Airborne subscriber stations using Channel 16 frequencies shall not be operated outside the limits of the Zone specified in Table B of this section. Further, to provide adjacent channel protection to TV Channel 15, these stations shall not operate within an 80 mile radial distance to Lafayette, Louisiana. Airborne subscriber stations using Channel 15 frequencies shall not be operated outside the limits of the Zone specified in Table C of this section. Further, to provide adjacent channel protection to TV Channels 14 and 16, these stations shall not operate within an 80 mile radial distance of either Corpus Christi or Houston, Texas.

(5) Antenna heights in excess of 61 meters (200 feet) above mean sea level will not be authorized, except that surface mobile stations will be limited to a height of 30 feet above the waterline.

(6) Mobile stations shall not operate with an effective radiated power in excess of 25 watts within 32.2 km (20 miles) of the 3 mile limit. In all other Zones, the effective radiated power shall not exceed 100 watts.

(7) On its regularly assigned frequency, an offshore central station may be used to perform the added functions of a repeater station when means are provided whereby the licensee of the radio system is able to turn the station on and off at will irrespective of the transmissions of subscriber units on the mobile frequency associated therewith.

TABLE D—PROTECTION OF CO-CHANNEL FULL SERVICE TELEVISION STATIONS BY STATIONS IN THE OFFSHORE RADIO SERVICE—MAXIMUM EFFECTIVE RADIATED POWER (WATTS)

[65dB protection]

Distance from ORTS transmitter to TV station on the same channel (miles)	Antenna height above sea level		
	100 ft (watts)	150 ft (watts)	200 ft (watts)
210	1,000	1,000	1,000
205	1,000	900	800
200	800	710	630
195	590	520	450
190	450	400	330
185	320	280	240
180	250	210	175
175	175	150	130
170	180	110	100
165	95	80	70
160	65	55	50
155	50	40	35
150	35	30	25

NOTE: No ORS station shall operate less than 241.4 km (150 miles) from any full service co-channel TV station.

TABLE E—PROTECTION OF ADJACENT FULL SERVICE CHANNEL TELEVISION STATIONS BY STATIONS IN THE OFFSHORE RADIO SERVICE

[0 dB protection]

Distance beyond the 3-mile (4.8-km) limit (miles)	Antenna height above sea level	
	100 ft (30.5 meters) (watts)	200 ft (61 meters) (watts)
4	25	6
5	40	10
6	65	15
7	100	25
8	150	35
9	215	50
10	295	70
11	400	100
12	530	130
13	685	170
14	870	215
15	1,000	270
16	1,000	415
17	1,000	585
18	1,000	610
19	1,000	730
20	1,000	865
21	1,000	1,000

NOTE: Table E of this paragraph (d) applies only within an 128.8 km (80 mile) radial distance of full service adjacent channel TV stations.

(e) A new ORS station may be permitted upon a showing of compliance with the following provisions:

(1) That the applicant has notified all licensees and permittees of ORS stations located within 321.8 km (200 miles) of the proposed station of the proposal giving them the following data at least thirty days before filing the application:

(i) The name, business address, frequency coordinator, and telephone number of the applicant.

(ii) The location by coordinate of the proposed station.

(iii) The frequency and type of emission proposed.

(iv) The height and type of antenna proposed.

(v) The bearing of the main lobe.

(vi) The effective radiated power proposed.

(2) That the proposed station protects the primary ORS channels by compliance with the following separations:

(i) Co-channel to a distance of 241.4 km (150 miles).

(ii) When offset (interstitial) channels are used, adjacent channels (±12.5 kHz) to a distance of 80.5 km (50 miles).

(iii) Third order intermodulation channels plus or minus 12.5 kHz to a distance of 32.2 km (20 miles).

(3) Where the proposed transmitting site is located west of longitude 93°40′W, and is within 32.2 kM (20 miles) of the shoreline, and proposes use of the frequencies set forth in § 22.1001(b), the applicant shall submit a showing that no third-order intermodulation interference would be caused to any base station or mobile operation using the frequencies between 488 and 494 MHz.

(f) Upon a showing of compliance with the following additional limitations an ORS station may be permitted using interstitial frequencies (12.5 kHz offset) in Zone A (Table A of this section) using TV Channel 17 frequencies (488–490 and 491–493 MHz):

(1) That the station will be located east of 92 degrees West Longitude in the Southern Louisiana ORS zone (Zone A).

(2) That utilization of this channel is secondary to the utilization of any primary ORS channel set forth in paragraph (a) of this section.

(3) That the station be utilized for voice grade general communications or to provide for private line service (see limitations 1 and 2 to the list of frequencies in paragraph (a) of this section).

[50 FR 12025, Mar. 27, 1985]

§ 22.1002 Power limitations.

Stations in this service will not be permitted to exceed 1000 watts effective radiated power provided, however, that the effective radiated power of mobile stations operating within 20 miles of the 3 mile limit shall be 25 watts or less. In all other areas mobile stations may operate with effective radiated power of 100 watts. The effective radiated power of airborne stations is limited to 1 watt.

[50 FR 32205, Aug. 9, 1985]

§ 22.1003 Emission limitations.

The maximum authorized bandwidth of emission and maximum authorized frequency deviation shall be as follows:

Type of emission	Authorized bandwidth (kilohertz)	Frequency deviation (kilohertz)
F3	20	5
F9Y	20	5

[49 FR 3342, Jan. 26, 1984]

§ 22.1004 Modulation requirements.

(a) The use of modulating frequencies higher than 3000 hertz for single channel radiophony or tone signaling is not authorized.

(b) The frequency deviation arising from modulation shall not exceed 5 kHz.

(c) Each transmitter, which has more than 1 watt power output employing type F3E emission shall be equipped with a device which will automatically prevent greater than normal audio level from modulating in excess of the limits specified in paragraph (b) of this section.

(d) Each transmitter, which employes type F3E emission, shall be equipped with a modulation limiter in accordance with the provisions of paragraph (c) of this section and also shall be equipped with a low pass audio filter installed between the modulation limiter and the modulated stage. At audio frequencies between 3 kHz and 20 kHz the filter shall have an attenuation greater than the attenuation at 1 kHz by at least:

$$60 \log_{10} (f/3) \text{ decibels}$$

where "f" is the audio frequency in kilohertz. At audio frequencies above 20 kHz, the attenuation shall be at least 50 decibels greater than the attenuation at 1 kHz.

(e) Transmitters complying with the emission limitations of paragraph (b) of § 22.106 shall be exempt from the audio low-pass filter requirements of paragraph (d) of this section provided that transmitters used for digital emissions must be type accepted with the specific equipment that provides the digital modulating signal. The type acceptance application shall contain such information as may be necessary to demonstrate that the transmitter complies with the emission limitations specified in paragraph (b) of § 22.106.

[49 FR 3342, Jan. 26, 1984, as amended at 49 FR 48701, Dec. 14, 1984]

§ 22.1005 Permissible communications.

(a) Offshore Central Station shall communicate only with subscriber stations (fixed, temporary-fixed, mobile and airborne).

(b) Subscriber station normally are authorized to communicate with and through Offshore Central.

(c) The foregoing paragraphs of this section shall not be construed to prohibit stations in this service from communicating through radio relay stations authorized pursuant to the provisions of § 22.1001(b).

§ 22.1006 Temporary fixed stations (Offshore Radio).

(a) *General.* Upon proper application (FCC Form 401, 489) for the frequencies listed in § 22.1001(a), an authorization may be issued to operate a temporary fixed station. The station shall be used for Offshore Radio service only when regular facilities are not available or when such service is disrupted by storms or emergencies.

(b) *Six-month limitation.* When a temporary fixed station is to remain at a single location for more than six months, an application for authorization as a permanent fixed station (FCC Form 401, 489) must be made at least 30 days before the end of the six month period.

(c) *International Communications.* Temporary fixed stations shall not transmit between the United States and Canada or Mexico without prior authorization from the Commission. Application for authorization shall be made at the earliest possible time to permit coordination with Canada or Mexico.

[50 FR 32205, Aug. 9, 1985]

§ 22.1007 [Reserved]

§ 22.1008 Priority of service.

Within the Offshore Radio Service, the frequencies set forth in this part are intended primarily for use in rendition of public message service between Offshore subscriber and central office stations. However, the frequencies may also be used for the rendition of private leased line communication service provided that such usage will not reduce or impair the extent or quality of communication service which would be available, in the absence of private leased line service, to the general public receiving or subsequently requesting public message service from a central office.

[49 FR 3342, Jan. 26, 1984]

Subpart M—800 MHz Air-Ground Radiotelephone Service

Source: 55 FR 25843, June 25, 1990, unless otherwise noted.

§ 22.1100 Scope.

The rules in this subpart govern the licensing and operation of air-ground radiotelephone systems that use the 800 MHz air-ground spectrum. The licensing and operation of these systems is also subject to rules elsewhere in this Part that apply generally to the public mobile services. However, in case of conflict, the rules in this subpart will govern.

§ 22.1101 Eligibility.

Authorizations for air-ground systems to be operated in the 800 MHz Air-Ground Radiotelephone Service will be issued to existing and proposed communication common carriers. Applications will be granted only if it is shown that the applicant is legally, financially, technically and otherwise qualified to render the proposed service and the public interest, convenience and necessity would be served by a grant thereof.

§ 22.1102 Application requirements.

Applications for authorizations in the 800 MHz Air-Ground Radiotelephone Service must be filed using FCC Form 401 and be accompanied by the same application filing fee as is required for new public land mobile systems. In addition to the application filing requirements contained in §§ 22.13 and 22.15 of this Part, the following exhibits must be attached to such applications:

(a) *Written agreement.* A signed agreement between the applicant and at least one airline or airline organization, authorizing the applicant to provide air-ground service on its aircraft.

(b) *Financial qualifications.* At the time of filing its application, an applicant must demonstrate that it has either a firm financial commitment or available financial resources necessary to construct all proposed ground stations and operate them for one year after initiation of nationwide air-ground service.

(1) The demonstration of commitment must include, and be sufficient to cover, the realistic and prudent estimated costs of construction of the 50 required ground stations, as well as any additional ground stations proposed by the applicants, and the cost of their operation, and any other initial expenses for one year after initiation of nationwide air-ground service. The estimated construction costs, operation costs, and other initial expenses must be itemized.

(2) The firm financial commitment required above shall be obtained from a state or federally chartered bank or savings and loan association, another recognized financial institution, or the financial arm of a capital equipment supplier, and shall contain a statement that the lender:

(i) Has examined the financial condition of the applicant, including audited financial statements, and has determined that the applicant is creditworthy;

(ii) That the lender is committed to providing a sum certain to the particular applicant;

(iii) That the lender's willingness to enter into the commitment is based solely on its relationship with the applicant; and

(iv) That the commitment is not in any way guaranteed by any entity other than the applicant.

(3) Applicants intending to rely on personal or internal resources must submit:

(i) Audited financial statements, certified within one year of the date of the application, indicating the availability of sufficient net liquid assets to construct and operate the proposed air-ground system for one year.

(A) The auditors must be certified public accountants.

(B) Net liquid assets is considered to be the excess of current assets (readily converted to cash) over current liabilities. In order to demonstrate ready convertibility into cash, the identity, liquidity, and value of listed assets must be demonstrated. Non-liquid assets can be relied on if the marketability of those assets is documented.

(ii) An audited balance sheet current within 60 days of filing, which clearly shows the continued availability of sufficient net liquid assets to construct and operate the proposed air-ground system for one year after nationwide service begins.

(c) *Service plan.* A service plan containing:

(1) A map or other description of the planned geographic coverage area, including air space over the continental United States, Alaska, Hawaii and other United States territories.

(2) A schedule for construction of 25 ground stations within three years and of at least 50 ground stations and the commencement of nationwide service to the public within five years from the grant of the initial authorization.

(3) A projection of the system capacity, expressed in terms of the maximum number of calls per hour in each area.

(d) *Technical Exhibit.* A technical description of the proposed system, demonstrating compliance with all applicable technical requirements and describing how the proposed system would operate, if authorized. This exhibit must provide the following information:

(1) The number of ground stations to be used, their locations, and the type and quantity of equipment proposed for the system;

(2) A complete description of the procedures and data protocols to be used on the control channel;

(3) The modulation types to be used and their spectral characteristics;

(4) The effective radiated power and transmitter peak envelope power for all transmitters at each ground station location, and the effective radiated power of the airborne mobile stations;

(5) Antenna information as follows:

(i) For airborne mobile stations, the antenna type(s) to be used;

(ii) For ground stations, vertical and horizontal radiation patterns, antenna heights above ground level, antenna support structure heights above ground level, ground elevation above mean sea level, and any relevant information (*e.g.* FAA approval) that may be helpful in determining whether ground station antennas require marking and lighting;

(6) Analytical data, including calculations, of potential interference within and without the spectrum proposed to be used for the air-ground system;

(7) An Environmental Assessment, if required. *See* § 1.1301 *et seq.*

§ 22.1105 Frequency ranges.

The 849-851 and 894-896 MHz frequency ranges have been allocated to this service. Ground stations transmit on frequencies in the 849-851 MHz range. Airborne mobile stations transmit on frequencies in the 894-896 MHz range.

§ 22.1107 Initial channel plan.

Initially, all air-ground licensees are required to use the channel plan described in this section. However, after air-ground service has been established, if all licensees agree that an alternative channel plan would be more efficient or beneficial, such alternativ
plan may be used. A complete descrip
tion of the alternative plan must b
provided the Commission one mont
before licensees begin using it.

(a) *Channel blocks.* The spectrum a
located for this service is divided int
ten channel blocks, numbered
through 10. All ground stations
each geographical area use the sam
channel block for communication wit
airborne stations in flight, in accord
ance with § 22.1109.

(1) Unless the Commission assign
control channels to more than fou
competing air-ground systems, eac
channel block is subdivided into fou
control channels, labeled P-1 throug
P-4, a guardband, labeled GB, an
thirty-one communication channel
labeled C-1 through C-31. When th
Commission assigns control channel
to five or more systems, the guard
band and one or more communication
channels, beginning with channel C-
will be converted to control channels.

(2) The channel bandwidths are
follows:

(i) Each control channel has a ban
width of 3.2 kHz.

(ii) Each guardband is 1.2 kHz wid

(iii) Each communication chann
has a bandwidth of 6 kHz.

(b) *Frequency pairs.* The contr
channels, guardbands, and commun
cation channels correspond to fr
quency pairs as follows:

GROUND TO AIR FREQUENCIES (MHz)

Channel No.	Channel Block				
	10	9	8	7	6
P-1	849.0020	849.2020	849.4020	849.6020	849.80
P-2	849.0052	849.2052	849.4052	849.6052	849.80
P-3	849.0084	849.2084	849.4084	849.6084	849.80
P-4	849.0116	849.2116	849.4116	849.6116	849.81
GB	849.0148	849.2148	849.4148	849.6148	849.81
C-1	849.016	849.216	849.416	849.616	849.81
C-2	849.022	849.222	849.422	849.622	849.82
C-3	849.028	849.228	849.428	849.628	849.82
C-4	849.034	849.234	849.434	849.634	849.83
C-5	849.040	849.240	849.440	849.640	849.84
C-6	849.046	849.246	849.446	849.646	849.84
C-7	849.052	849.252	849.452	849.652	849.85
C-8	849.058	849.258	849.458	849.658	849.85
C-9	849.064	849.264	849.464	849.664	849.86
C-10	849.070	849.270	849.470	849.670	849.87
C-11	849.076	849.276	849.476	849.676	849.87
C-12	849.082	849.282	849.482	849.682	849.88
C-13	849.088	849.288	849.488	849.688	849.88
C-14	849.094	849.294	849.494	849.694	849.89
C-15	849.100	849.300	849.500	849.700	849.90

GROUND TO AIR FREQUENCIES (MHz)—Continued

Channel No.	Channel Block				
	10	9	8	7	6
C-16	849.106	849.306	849.506	849.706	849.906
C-17	849.112	849.312	849.512	849.712	849.912
C-18	849.118	849.318	849.518	849.718	849.918
C-19	849.124	849.324	849.524	849.724	849.924
C-20	849.130	849.330	849.530	849.730	849.930
C-21	849.136	849.336	849.536	849.736	849.936
C-22	849.142	849.342	849.542	849.742	849.942
C-23	849.148	849.348	849.548	849.748	849.948
C-24	849.154	849.354	849.554	849.754	849.954
C-25	849.160	849.360	849.560	849.760	849.960
C-26	849.166	849.366	849.566	849.766	849.966
C-27	849.172	849.372	849.572	849.772	849.972
C-28	849.178	849.378	849.578	849.778	849.978
C-29	849.184	849.384	849.584	849.784	849.984
C-30	849.190	849.390	849.590	849.790	849.990
C-31	849.196	849.396	849.596	849.796	849.996

GROUND TO AIR FREQUENCIES (MHz)

Channel No.	Channel block				
	5	4	3	2	1
P-1	850.0020	850.2020	850.4020	850.6020	850.8020
P-2	850.0052	850.2052	850.4052	850.6052	850.8052
P-3	850.0084	850.2084	850.4084	850.6084	850.8084
P-4	850.0116	850.2116	850.4116	850.6116	850.8116
GB	850.0148	850.2148	850.4148	850.6148	850.8148
C-1	850.016	850.216	850.416	850.616	850.816
C-2	850.022	850.222	850.422	850.622	850.822
C-3	850.028	850.228	850.428	850.628	850.828
C-4	850.034	850.234	850.434	850.634	850.834
C-5	850.040	850.240	850.440	850.640	850.840
C-6	850.046	850.246	850.446	850.646	850.845
C-7	850.052	850.252	850.452	850.652	850.852
C-8	850.058	850.258	850.458	850.658	850.858
C-9	850.064	850.264	850.464	850.664	850.864
C-10	850.070	850.270	850.470	850.670	850.870
C-11	850.076	850.276	850.476	850.676	850.876
C-12	850.082	850.282	850.482	850.682	850.882
C-13	850.088	850.288	850.488	850.688	850.888
C-14	850.094	850.294	850.494	850.694	850.894
C-15	850.100	850.300	850.500	850.700	850.900
C-16	850.106	850.306	850.506	850.706	850.906
C-17	850.112	850.312	850.512	850.712	850.912
C-18	850.118	850.318	850.518	850.718	850.918
C-19	850.124	850.324	850.524	850.724	850.924
C-20	850.130	850.330	850.530	850.730	850.930
C-21	850.136	850.336	850.536	850.736	850.936
C-22	850.142	850.342	850.542	850.742	850.942
C-23	850.148	850.348	850.548	850.748	850.948
C-24	850.154	850.354	850.554	850.754	850.954
C-25	850.160	850.360	850.560	850.760	850.960
C-26	850.166	850.366	850.566	850.766	850.966
C-27	850.172	850.372	850.572	850.772	850.972
C-28	850.178	850.378	850.578	850.778	850.978
C-29	850.184	850.384	850.584	850.784	850.984
C-30	850.190	850.390	850.590	850.790	850.990
C-31	850.196	850.396	850.596	850.796	850.996

AIR TO GROUND FREQUENCIES (MHz)

Channel No.	Channel Block				
	10	9	8	7	6
P-1	894.0020	894.2020	894.4020	894.6020	894.8020
P-2	894.0052	894.2052	894.4052	894.6052	894.8052
P-3	894.0084	894.2084	894.4084	894.6084	894.8084
P-4	894.0116	894.2116	894.4116	894.6116	894.8116
GB	894.0148	894.2148	894.4148	894.6148	894.8148
C-1	894.016	894.216	894.416	894.616	894.816
C-2	894.022	894.222	894.422	894.622	894.822
C-3	894.028	894.228	894.428	894.628	894.828
C-4	894.034	894.234	894.434	894.634	894.834
C-5	894.040	894.240	894.440	894.640	894.840
C-6	894.046	894.246	894.446	894.646	894.846
C-7	894.052	894.252	894.452	894.652	894.852
C-8	894.058	894.258	894.458	894.658	894.858
C-9	894.064	894.264	894.464	894.664	894.864
C-10	894.070	894.270	894.470	894.670	894.870
C-11	894.076	894.276	894.476	894.676	894.876
C-12	894.082	894.282	894.482	894.682	894.882
C-13	894.088	894.288	894.488	894.688	894.888
C-14	894.094	894.294	894.494	894.694	894.894
C-15	894.100	894.300	894.500	894.700	894.900
C-16	894.106	894.306	894.506	894.706	894.906
C-17	894.112	894.312	894.512	894.712	894.912
C-18	894.118	894.318	894.518	894.718	894.918
C-19	894.124	894.324	894.524	894.724	894.924
C-20	894.130	894.330	894.530	894.730	894.930
C-21	894.136	894.336	894.536	894.736	894.936
C-22	894.142	894.342	894.542	894.742	894.942
C-23	894.148	894.348	894.548	894.748	894.948
C-24	894.154	894.354	894.554	894.754	894.954
C-25	894.160	894.360	894.560	894.760	894.960
C-26	894.166	894.366	894.566	894.766	894.966
C-27	894.172	894.372	894.572	894.772	894.972
C-28	894.178	894.378	894.578	894.778	894.978
C-29	894.184	894.384	894.584	894.784	894.984
C-30	894.190	894.390	894.590	894.790	894.990
C-31	894.196	894.396	894.596	894.796	894.996

AIR TO GROUND FREQUENCIES (MHz)

Channel No.	Channel Block				
	5	4	3	2	1
P-1	895.0020	895.2020	895.4020	895.6020	895.8020
P-2	895.0052	895.2052	895.4052	895.6052	895.8052
P-3	895.0084	895.2084	895.4084	895.6084	895.8084
P-4	895.0116	895.2116	895.4116	895.6116	895.8116
GB	895.0148	895.2148	895.4148	895.6148	895.8148
C-1	895.016	895.216	895.416	895.616	895.816
C-2	895.022	895.222	895.422	895.622	895.822
C-3	895.028	895.228	895.428	895.628	895.828
C-4	895.034	895.234	895.434	895.634	895.834
C-5	895.040	895.240	895.440	895.640	895.840
C-6	895.046	895.246	895.446	895.646	895.846
C-7	895.052	895.252	895.452	895.652	895.852
C-8	895.058	895.258	895.458	895.658	895.858
C-9	895.064	895.264	895.464	895.664	895.864
C-10	895.070	895.270	895.470	895.670	895.870
C-11	895.076	895.276	895.476	895.676	895.876
C-12	895.082	895.282	895.482	895.682	895.882
C-13	895.088	895.288	895.488	895.688	895.888
C-14	895.094	895.294	895.494	895.694	895.894
C-15	895.100	895.300	895.500	895.700	895.900
C-16	895.106	895.306	895.506	895.706	895.906
C-17	895.112	895.312	895.512	895.712	895.912
C-18	895.118	895.318	895.518	895.718	895.918
C-19	895.124	895.324	895.524	895.724	895.924

AIR TO GROUND FREQUENCIES (MHz)—Continued

Channel No.	Channel Block				
	5	4	3	2	1
C-20	895.130	895.330	895.530	895.730	895.930
C-21	895.136	895.336	895.536	895.736	895.936
C-22	895.142	895.342	895.542	895.742	895.942
C-23	895.148	895.348	895.548	895.748	895.948
C-24	895.154	895.354	895.554	895.754	895.954
C-25	895.160	895.360	895.560	895.760	895.960
C-26	895.166	895.366	895.566	895.766	895.966
C-27	895.172	895.372	895.572	895.772	895.972
C-28	895.178	895.378	895.578	895.778	895.978
C-29	895.184	895.384	895.584	895.784	895.984
C-30	895.190	895.390	895.590	895.790	895.990
C-31	895.196	895.396	895.596	895.796	895.996

§ 22.1109 Initial geographical channel block layout.

Except as provided in paragraph (b) of this section, ground station locations must be within one mile of the locations listed in this paragraph. The indicated channel block for each location must be used to provide service to airborne mobile stations in flight.

Location	N. latitude	W. longitude	Channel block
Alaska:			
Anchorage	61°11'06"	149°54'42"	8
Arizona:			
Phoenix	33 33 39	112 05 12	4
Winslow	35 01 30	110 43 20	6
California:			
Blythe	33 37 15	114 43 08	10
Los Angeles	33 55 50	118 22 30	4
Oakland	37 51 12	122 22 35	1
S. San Francisco	37 41 16	122 26 09	6
Visalia	36 19 01	119 23 05	7
Colorado:			
Colorado Springs	38 44 39	104 51 46	8
Denver	39 46 45	104 50 49	1
Hayden	40 28 54	107 13 07	6
Florida:			
Miami	25 48 30	80 16 10	4
Orlando	28 26 56	81 21 51	2
Tallahassee	30 24 04	84 21 34	7
Georgia:			
Atlanta	33 39 30	84 25 22	8
Hawaii:			
Mauna Kapu	21 24 24	158 06 02	5
Idaho			
Blackfoot	43 11 32	112 40 21	8
Illinois:			
Chicago	41 47 12	87 45 06	3
Kewanee	41 12 24	89 57 36	5
Schiller Park	41 57 18	87 52 57	2
Indiana:			
Fort Wayne	40 56 59	85 11 46	7
Iowa:			
Des Moines	41 32 16	93 36 16	1
Kansas:			
Garden City	37 59 35	100 54 04	3
Wichita	37 37 06	97 27 01	7
Kentucky:			
Fairdale	38 04 48	85 47 33	6
Louisiana:			
Kenner	29 59 38	90 15 22	3
Shreveport	32 27 22	93 49 20	5
Massachusetts:			
Boston	42 23 15	71 01 03	7
Michigan:			
Flint	42 57 56	83 44 37	9
Sault Ste. Marie	46 28 47	84 22 05	6
Minnesota:			
Bloomington	44 51 33	93 13 10	9
Mississippi:			
Meridian	32 19 10	88 41 33	9
Missouri:			
Kansas City	39 17 57	94 43 04	6
St. Louis	38 44 52	90 21 44	4
Springfield	37 14 50	93 22 40	9
Montana:			
Lewistown	47 02 56	109 27 27	5
Miles City	46 26 07	105 53 02	8
Missoula	47 01 05	114 00 41	3
Nebraska:			
Grand Island	40 57 10	98 18 30	2
Ogallala	41 07 06	101 45 57	4
Nevada:			
Las Vegas	36 05 26	115 10 19	1
Reno	39 35 13	119 55 52	3
Tonopah	38 04 06	117 12 30	9
Winnemucca	41 00 38	117 45 40	4
New Mexico:			
Alamogordo	32 54 46	105 56 42	8
Albuquerque	35 03 05	106 37 13	10
Clayton	36 27 29	103 11 18	5
New York:			
E. Elmhurst	40 46 38	73 52 20	1
Henrietta	43 05 39	77 36 40	3
Staten Island	40 36 05	74 06 35	9
North Carolina:			
Greensboro	36 05 09	79 56 07	9
Wilmington	34 15 52	77 53 45	7
North Dakota:			
Dickinson	46 51 06	102 47 19	7
Ohio:			
Pataskala	40 04 38	82 41 57	1
Oklahoma:			
Warner	35 29 31	95 18 25	4
Woodward	36 24 42	99 28 50	9
Oregon:			
Klamath Falls	42 06 30	121 38 00	2

Location	N. latitude	W. longitude	Channel block
Pendleton	45 35 45	118 31 02	7
Pennsylvania:			
Coraopolis	40 30 18	80 13 25	4
New Cumberland	40 11 30	76 52 02	8
South Carolina:			
Charleston	32 54 15	80 01 08	4
South Dakota:			
Aberdeen	45 27 21	98 25 26	6
Rapid City	44 02 08	103 03 04	5
Tennessee:			
Elizabethton	36 26 04	82 08 06	7
Memphis	35 01 44	89 56 15	10
Nashville	36 09 08	86 41 21	3
Texas:			
Austin	30 16 37	97 49 34	2
Bedford	32 50 23	97 08 02	1
Houston	29 54 37	95 24 39	9
Lubbock	33 37 06	101 52 14	7
Monahans	31 34 55	102 54 05	6
Utah:			
Abajo Peak	37 50 21	109 27 42	7
Delta	39 22 40	112 31 05	2
Escalante	37 45 19	111 52 27	5
Green River	38 57 53	110 14 04	3
Virginia:			
Arlington	38 52 57	77 06 17	6
Washington:			
Seattle	47 26 06	112 17 35	4
West Virginia:			
Charleston	38 19 47	81 30 25	2
Wisconsin:			
Stevens Point	44 33 06	89 25 27	8
Wyoming:			
Riverton	43 03 37	108 27 23	9

(a) Any of the ten channel blocks may be used to provide service to airborne mobile stations on the ground, provided that the vertical antenna pattern (of the antenna used for ground station transmissions on channel blocks other than the one specified in this Section for the particular location involved) shows the following attenuation in all azimuths: 47 decibels above 1° elevation and 67 decibels above 2° elevation.

(b) A ground station location may be more than one mile from all of the locations listed in this Section provided that it is at least 550 miles from all existing locations using the same channel block for communication with 800 MHz airborne mobile stations in flight.

§ 22.1111 Emission limitations.

Any appropriate emission type may be used to provide air-ground radiotelephone service provided that the emission limitations of this Section are met.

(a) The power of any emission on any frequency removed from the center of the authorized bandwidth by more than 3 kHz must be at least 30 decibels below the peak envelope power of the emission.

(b) The power of any emission on any frequency removed from the center of the authorized bandwidth by more than 9 kHz must be at least 60 decibels below the peak envelope power of the emission.

(c) If an emission on any frequency outside of the authorized bandwidth causes harmful interference, the Commission may require greater attenuation of that emission than required in paragraphs (b) and (c) of this Section.

(d) The provisions of § 22.106 of this part do not apply to 800 MHz air-ground systems.

§ 22.1113 Transmitter frequency tolerance.

Ground station transmitter frequencies must be maintained within ±0.1 parts per million (ppm) of the channel reference or center frequencies. Doppler shift correction shall be used to ensure that the frequencies of the signals of airborne mobile stations received at ground stations remain within ±0.2 ppm of the channel reference or center frequencies.

§ 22.1115 Dynamic channel allocation procedures.

Operation of stations in this service must be in accordance with the procedures in this section.

(a) A communications channel is not available for use by a ground station if the received signal power on that channel at the ground station exceeds −115 dBm, which, assuming a 0 dB gain 895 MHz receive antenna, corresponds to a field strength of approximately 19 dBu V/m.

(b) Data indicating which communications channels are available for use are transmitted by ground stations on the assigned control channels.

(c) A call is originated when an airborne mobile station selects a communications channel based on the received data from ground stations and other factors, and transmits an identification code (which identifies the specific ground station from which service is requested) on the selected communications channel. The ground station from which service has been requested may then obtain any necessary billing information and complete the call.

(d) A ground station may not transmit on a communications channel unless it has received the proper identification code. Ground stations other than the one from which service has been requested must consider the communications channel to be unavailable until either a hang-up signal is transmitted by the airborne mobile station, or the received signal power on that channel drops below −115 dBm for a period of at least 15 seconds. The hang-up signal is the on-off keying (50% duty cycle) of an unmodulated carrier over a period of one second with pulse duration of 5 milliseconds. However, if all licensees agree that an alternative hang-up signal would be more efficient or beneficial, such alternative hang-up signal may be used.

§ 22.1117 Limitations on effective radiated power.

The effective radiated power (ERP) of airborne mobile station transmitters shall not exceed 30 Watts. The ERP of ground station transmitters in communication with airborne mobile stations in flight must not exceed 100 Watts. The ERP of ground station transmitters in communication with airborne mobile stations on the ground must not exceed 5 Watts.

§ 22.1119 Assignment of control channels.

The Commission will select and assign exclusively one control channel to each air-ground licensee after receiving written notification that the licensee's system will begin providing service within one month. The Commission may initially assign a communications channel rather than a control channel to be used for control purposes.

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PART 23—INTERNATIONAL FIXED PUBLIC RADIOCOMMUNICATION SERVICES

Fixed Public Services

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AUTHORITY: Secs. 4, 303, 48 Stat. 1066, 1082 as amended; 47 U.S.C. 154, 303. Interpret or apply sec. 301, 48 Stat. 1081; 47 U.S.C. 301.

SOURCE: 28 FR 13032, Dec. 5, 1963, as amended at 36 FR 2562, Feb. 6, 1971, unless otherwise noted.

Fixed Public Services

§ 23.1 Definitions.

Assigned frequency. The frequency coinciding with the center of an authorized bandwidth of emission.

Authorized bandwidth. The maximum bandwidth authorized to be used by a station as specified in the station license. This shall be occupied bandwidth or necessary bandwidth, whichever is greater.

Authorized reference frequency. A frequency having a fixed and specific position with respect to the assigned frequency.

Authorized service. The term "authorized service" of a point-to-point radiotelegraph or radiotelephone station means the transmission of public correspondence to a point of communication as defined herein subject to such special provisions as may be contained in the license of the station or in accordance with § 23.53.

Fixed public service. The term "fixed public service" means a radiocommunication service carried on between fixed stations open to public correspondence.

Fixed public press service. The term "fixed public press service" means a limited radio communication service carried on between point-to-point telegraph stations, consisting of transmissions by fixed stations open to limited public correspondence, of news items, or other material related to or intended for publication by press agencies, newspapers, or for public dissemination. In addition, these transmissions may be directed to one or more fixed points specifically named in a station license, or to unnamed points in accordance with the provisions of § 23.53.

NOTE: This section is not intended as a definition of any press classification. Correspondence admissible under any press classification is determined by the tariffs of the various common carriers on file with the Commission.

Fixed station. The term "fixed station" in the fixed public or fixed public press service includes all apparatus used in rendering the authorized service at a particular location under a single instrument of authorization.

Frequency tolerance. The maximum permissible departure by the center frequency of the frequency band occupied by an emission from the assigned frequency or by the carrier, or suppressed carrier, from the reference frequency.

International fixed public radiocommunication service. A fixed service, the stations of which are open to public correspondence and which, in general, is intended to provide radiocommunication between any one of the contiguous 48 states (including the District of Columbia) and the State of Alaska, or the State of Hawaii, or any U.S. possession or any foreign point; or between any U.S. possession and any other point; or between the State of Alaska and any other point; or between the State of Hawaii and any other point. In addition, radiocommunications within the contiguous 48 states (including the District of Columbia) in connection with the relaying of international traffic between stations which provide the above service, are also deemed to be the international fixed public radiocommunications service; provided, however, that communications solely between Alaska, or any one of the contiguous 48 states (including the District of Columbia), and either Canada or Mexico are not deemed to be in the international fixed public radiocommunication service when such radiocommunications are transmitted on frequencies above 72 MHz.

International fixed public control service. A fixed service carried on for the purpose of communicating between transmitting stations, receiving stations, message centers or control points in the international fixed public radiocommunication service.

Occupied bandwidth. The frequency bandwidth such that, below its lower and above its upper frequency limits, the mean powers radiated are each equal to 0.5 percent of the total mean power radiated by a given emission.

Point-to-point telegraph station. The term "point-to-point telegraph station" means a fixed station authorized for radiotelegraph communication.

Point-to-point telephone station. The term "point-to-point telephone station" means a fixed station authorized for radiotelephone communication.

Point of communication. The term "point of communication" means a specific location designated in the license to which a station is authorized to communicate for the transmission of public correspondence.

Radiotelegraph. The term "radiotelegraph" as used in this part shall be construed to include types N0N, A1A, A2A, A3C, F1B, F2B, and F3C emission.

Radiotelephone. The term "radiotelephone" as used in this part, with respect to operation on frequencies below 30 MHz, means a system of radiocommunication for the transmission of speech or, in some cases, other sounds by means of amplitude modulation including double sideband (A3E), single sideband (R3E, H3E, J3E) or independent sideband (B3E) transmission.

[38 FR 22478, Aug. 21, 1973, as amended at 49 FR 48701, Dec. 14, 1984]

§ 23.11 Use of radiotelephone emissions by radiotelegraph stations.

The licensee of a radiotelegraph station, using frequencies below 30 MHz, may be authorized to use radiotelephone emissions as defined in § 23.1 for the following purposes:

(a) Transmission of addressed program material as set forth in § 23.51.

(b) Controlling the transmission or reception of addressed program material

(c) Controlling the transmission or reception of facsimile material.

[28 FR 13032, Dec. 5, 1963, as amended at 36 FR 2562, Feb. 6, 1971; 38 FR 22479, Aug. 21, 1973]

§ 23.12 Use of radiotelegraph emissions by radiotelephone stations.

The licensee of a point-to-point radiotelephone station may be authorized to use type N0N, A1A, A2A, F1B, or F2B emission for identification, for test purposes or for the exchange of service messages.

[49 FR 48701, Dec. 14, 1984]

§ 23.13 Types of emission.

Stations in the international fixed public radiocommunication services may be authorized to use any of the types of emission or combinations thereof, described in Part 2 of this chapter, as well as new types which may be developed: *Provided*, That harmful interference to adjacent operations is not caused thereby, *And provided further*, That the intelligence to be transmitted will use the bandwidth requested to a degree of efficiency compatible with the current state of the art. A determination of the possibilities of interference will be made as outlined in § 23.20. In certain cases frequencies or emissions may be authorized on a temporary basis to determine if interference will occur. During normal operations, emissions shall be centered about an assigned frequency. Non-centered emissions may be employed for short periods of time as needed to avoid interfering signals or meet fluctuating traffic loading: *Provided*, That the occupied bandwidth of these emissions be contained within the authorized bandwidth, *And provided further*, That prior to any such use, the Commission be notified of the reference frequency or frequencies proposed to be used in lieu of the assigned frequency.

[38 FR 22479, Aug. 21, 1973]

§ 23.14 Emission, bandwidth, modulation and transmission characteristics.

In the services under this part emissions are designated by their classification and their necessary bandwidth in accordance with the following procedures:

(a) *Designation of emissions in applications.* In applying for new frequency assignments for emissions not presently authorized, the emissions proposed to be used shall be described and their bandwidths specified as outlined in Part 2 of this chapter.

(b) *Designation of emissions in authorizations.* The emission designations used in authorizations will indicate only the maximum value of the necessary bandwidth for each type of modulation authorized.

(c) *New types of emissions.* If application is made for a type of emission not covered by Part 2 of this chapter, a full description of the emission must be provided and, if possible, measurements of its occupied bandwidth.

[38 FR 22479, Aug. 21, 1973, as amended at 49 FR 48701, Dec. 14, 1984]

§ 23.15 Emission limitations.

(a) For all transmitters placed into operation after September 19, 1973, and for all transmitters after September 19, 1975, which operate on frequencies below 30 MHz:

(1) The occupied bandwidth of emission shall be confined within the least possible spectrum space consistent with the state of the art and the required quality of transmission, and in no event shall be more than the authorized bandwidth.

(2) Spurious emissions of transmitters of mean power of 50 kilowatts or less shall be attenuated at least 40 decibels below the mean power of the fundamental without exceeding the power of 50 milliwatts.

(3) Spurious emissions of transmitters of mean power exceeding 50 kilowatts shall be attenuated at least 60 decibels below the mean power of the fundamental and every effort should be made to keep the level of spurious emissions below the power of 50 milliwatts.

(b) For all transmitters placed into operation after September 19, 1973, and for all transmitters after September 19, 1975, which operate on frequencies above 30 MHz, the mean powers of emissions shall be attenuated below the mean output power of the transmitter in accordance with the following schedule:

(1) On any frequency removed from the assigned frequency by more than 50 percent up to and including 100 percent of the authorized bandwidth: At least 25 decibels;

(2) On any frequency removed from the assigned frequency by more than 100 percent up to and including 250 percent of the authorized bandwidth: at least 35 decibels;

(3) On any frequency removed from the assigned frequency by more than 250 percent of the authorized bandwidth: at least 43 plus 10 log (mean output power in watts) decibels, or 80 decibels, whichever is the lesser attenuation.

(c) When an emission outside of the authorized bandwidth causes harmful interference, the Commission may, at its discretion, require greater attenuation than that specified in this section.

[38 FR 22479, Aug. 21, 1973; 38 FR 24901, Sept. 11, 1973]

§ 23.16 Frequency tolerances.

(a) The frequency tolerance for stations in the International Fixed Public Radiocommunications Services shall be maintained as prescribed in the following table:

Frequency range	Tolerances applicable to new transmitters installed after September 19, 1973, and to all transmitters after September 19, 1975	
	Percent	Parts per million
10 to 50 kHz	.1	1000
50 to 535 kHz	.02	200
1605 to 30,000 kHz	.0015	15
30 to 50 MHz	.002	20
50 to 000 MHz	.0005	5
1000 to 1650 MHz	.001	10
1850 to 1990 MHz	.02	200
1990 to 2500 MHz	.001	10
2500 to 10,500 MHz	.03	300
10,500 to 40,000 MHz	.05	500

(b) Until September 19, 1975, the frequency tolerance of transmitters installed at stations in these services before September 19, 1973, and operating within the frequency bands set forth below, shall be maintained within the following limits:

Frequency range	Tolerance (percent)
10 to 50 kHz	0.1
50 to 535 kHz	0.02
1605 to 30000 kHz	0.003
Above 30 MHz	([1])

[1] As set forth in the radio station license.

[38 FR 27386, Oct. 3, 1973]

§ 23.17 Frequency measurement.

Each station shall provide for the measurement of all frequencies assigned thereto, and establish a procedure for checking them regularly. These measurements shall be made by means independent of the frequency control of the transmitter and shall be of accuracy sufficient to detect deviation from the assigned frequency within one-half of the allowed tolerance. A record shall be kept of the results and dates of all frequency measurements.

[38 FR 22480, Aug. 21, 1973]

§ 23.18 Authorization of power.

(a) *Authorized power.* Power, when designated in the respective station license for a particular transmitter or transmitters, is peak envelope power for transmitters having full, unkeyed carrier, single sideband or independent sideband emissions, and mean power for transmitters having other emissions, unless specifically expressed otherwise. Designation of effective radiated power may appear in the station license in addition to designation of power for a transmitter or transmitters, when deemed necessary by the Commission.

(b) *Use of minimum power.* In the interest of avoiding interference to other operations, all stations shall radiate only as much power as is necessary to ensure a satisfactory service.

[38 FR 22480, Aug. 21, 1973]

§ 23.19 Use of directional antennas.

Insofar as is practicable, directional antennas, of type consistent with the current state of art, shall be used on all circuits for both transmitting and receiving.

[38 FR 22480, Aug. 21, 1973]

§ 23.20 Assignment of frequencies.

(a) Only those frequencies which are in accordance with § 2.106 of this chapter may be authorized for use by stations in the Fixed Public and Fixed Public Press Services. Selection of specific frequencies within such bands shall be made by the applicants therefor. After an application has been filed with the Commission for a particular frequency, its availability for assignment as requested will be determined by a study of the probabilities of interference to and from existing services assigned on the same or adjacent frequencies and, if necessary, by coordination with other agencies utilizing frequencies in these ranges. The applicant will be notified of the results of such study and coordination. All new assignments of frequencies may be made subject to certain conditions as may be required to minimize the possibility of harmful interference to existing services.

(b) In order to minimize possible harmful interference at the National Radio Astronomy Observatory site located at Green Bank, Pocahontas County, West Virginia, and at the Naval Radio Research Observatory site at Sugar Grove, Pendleton County, West Virginia, any applicant for a station authorization other than mobile, temporary base, temporary fixed, Personal Radio, Civil Air Patrol, or Amateur seeking a station license for a new station, a construction permit to construct a new station or to modify an existing station license in a manner which would change either the frequency, power, antenna height or directivity, or location of such a station within the area bounded by 39°15′ N. on the north, 78°30′ W. on the east, 37°30′ N. on the south and 80°30′ W. on the west shall, at the time of filing such application with the Commission, simultaneously notify the Director, National Radio Astronomy Observatory, P. O. Box No. 2, Green Bank, West Virginia, 24944, in writing, of the technical particulars of the proposed station. Such notification shall include the geographical coordinates of the antenna, antenna height, antenna directivity if any, proposed frequency, type of emission, and power. In addition, the applicant shall indicate in his application to the Commission the date notification was made to the Observatory. After receipt of such applications, the Commission will allow a period of twenty (20) days for comments or objections in response to the notifications indicated. If an objection to the proposed operation is received during the twenty day period from the National Radio Astronomy Observatory for itself or on behalf of the Naval Radio Research Observatory, the Commission will consider all aspects of the problem and take whatever action is deemed appropriate.

(c) [Reserved]

(d) Protection for Table Mountain Radio Receiving Zone, Boulder County, Colorado: Applicants for a station authorization to operate in the vicinity of Boulder County, Colorado under this part are advised to give due consideration, prior to filing applications, to the need to protect the Table Mountain Radio Receiving Zone from harmful interference. These are the research laboratories of the Department of Commerce, Boulder County, Colorado. To prevent degradation of the present ambient radio signal level at the site, the Department of Commerce seeks to ensure that the field strengths of any radiated signals (excluding reflected signals) received on this 1800 acre site (in the vicinity of coordinates 40°07'50" N Latitude, 105°14'40" W Longitude) resulting from new assignments (other than mobile stations) or from the modification or relocation of existing facilities do not exceed the following values:

Frequency range	Field strength (mV/m) in authorized bandwidth of service	Power flux density [1] (dBW/m^2) in authorized bandwidth of service
Below 540 kHz	10	65.8
540 to 1600 Khz	20	59.8
1.6 to 470 MHz	10	[2] 65.8
470 to 890 MHz	30	[2] 56.2
Above 890 MHz	1	[2] 65.8

[1] Equivalent values of power flux density are calculated assuming free space characteristic impedance of 376.7 = 120π ohms.

[2] Space stations shall conform to the power flux density limits at the earth's surface specified in appropriate parts of the FCC rules, but in no case should exceed the above levels in any 4 kHz band for all angles of arrival.

(1) Advance consultation is recommended particularly for those applicants who have no reliable data which indicates whether the field strength or power flux density figures in the above table would be exceeded by their proposed radio facilities (except mobile stations). In such instances, the following is a suggested guide for determining whether coordination is recommended:

(i) All stations within 1.5 statute miles;

(ii) Stations within 3 statute miles with 50 watts or more effective radiated power (ERP) in the primary plane of polarization in the azimuthal direction of the Table Mountain Radio Receiving Zone;

(iii) Stations within 10 statute miles with 1 kW or more ERP in the primary plane of polarization in the azimuthal direction of Table Mountain Receiving Zone;

(iv) Stations within 50 statute miles with 25 kW or more ERP in the primary plane of polarization in the azimuthal direction of Table Mountain Receiving Zone.

(2) Applicants concerned are urged to communicate with the Radio Frequency Management Coordinator, Department of Commerce, Research Support Services, NOAA R/E5X2, Boulder Laboratories, Boulder, CO 80303; telephone (303) 497-6548, in advance of filing their applications with the Commission.

(3) The Commission will not screen applications to determine whether advance consultation has taken place. However, applicants are advised that such consultation can avoid objections from the Department of Commerce or proceedings to modify any authorization which may be granted which, in fact, delivers a signal at the site in excess of the field strength specified herein.

(e) Protection for Federal Communications Commission monitoring stations:

(1) Applicants in the vicinity of an FCC monitoring station for a radio station authorization to operate new transmitting facilities or changed transmitting facilities which would increase the field strength produced over the monitoring station over that previously authorized are advised to give consideration, prior to filing applications, to the possible need to protect the FCC stations from harmful interference. Geographical coordinates of the facilities which require protection are listed in § 0.121(c) of the Commission's Rules. Applications for stations (except mobile stations) which will produce on any frequency a direct wave fundamental field strength of *greater than 10 mV/m* in the authorized bandwidth of service (−65.8 dBW/m^2 power flux density assuming a free space characteristic impedance of 120 ohms) at the referenced coordinates, may be examined to determine extent of possible interference. Depending on the theoretical field strength value and existing root-sum-square or other ambient radio field signal levels at the indicated coordinates, a clause protecting the monitoring station may be added to the station authorization.

(2) In the event that calculated value of expected field exceeds 10 mV/m (−65.8 dBW/m^2) at the reference coordinates, or if there is any question whether field strength levels might exceed the threshold value, advance consultation with the FCC to discuss any protection necessary should be considered. Prospective applicants

may communicate with: Chief, Field Operations Bureau, Federal Communications Commission, Washington, DC 20554, Telephone (202) 632-6980.

(3) Advance consultation is suggested particularly for those applicants who have no reliable data which indicates whether the field strength or power flux density figure indicated would be exceeded by their proposed radio facilities (except mobile stations). In such instances, the following is a suggested guide for determining whether an applicant should coordinate:

(i) All stations within 2.4 kilometers (1.5 statute miles);

(ii) Stations within 4.8 kilometers (3 statute miles) with 50 watts or more average effective radiated power (ERP) in the primary plane of polarization in the azimuthal direction of the Monitoring Stations.

(iii) Stations within 16 kilometers (10 statute miles) with 1 kW or more average ERP in the primary plane of polarization in the azimuthal direction of the Monitoring Station;

(iv) Stations within 80 kilometers (50 statute miles) with 25 kW or more average ERP in the primary plane of polarization in the azimuthal direction of the Monitoring Station;

(4) Advance coordination for stations operating above 1000 MHz is recommended only where the proposed station is in the vicinity of a monitoring station designated as a satellite monitoring facility in § 0.121(c) of the Commission's Rules and also meets the criteria outlined in paragraphs (e)(2) and (3) of this section.

(5) The Commission will not screen applications to determine whether advance consultation has taken place. However, applicants are advised that such consultation can avoid objections from the Federal Communications Commission or modification of any authorization which will cause harmful interference.

[28 FR 13032, Dec. 5, 1963, as amended at 42 FR 8329, Feb. 9, 1977; 42 FR 27894, June 1, 1977; 44 FR 77167, Dec. 31, 1979; 50 FR 39002, Sept. 26, 1985]

§ 23.21 Communications by international control stations.

Stations in the international fixed public control service are authorized to communicate between transmitting stations, receiving stations, message centers or control points operating in the international fixed public radiocommunication services for the purpose of handling service messages or international traffic between these points: *Provided*, That only traffic originating in or destined to points outside the contiguous states may be handled. Frequencies in bands designated for international control stations in Part 2 of this chapter may be assigned to these stations.

[38 FR 22480, Aug. 21, 1973]

§ 23.23 Use of frequencies for radio-telegraph communication within the continental United States.

Licensees of point-to-point radiotelegraph stations may use any frequency authorized in a station license for communication between designated points within the 48 contiguous states and the District of Columbia upon the express condition that the use of any frequency above 5000 kHz shall be subject to the limitation that no interference shall be caused to the international service, or to service with Alaska or Hawaii; and in the event such interference is caused the licensee shall immediately discontinue the use of the frequency or frequencies producing such interference and operation thereon may be conducted only at times when such interference will not be caused.

§ 23.24 Correspondents and points of communication.

Each instrument of authorization issued for fixed public or fixed public press service shall authorize communication to the points of communication and to the organizations, agencies, or persons specified therein only, except as provided by § 23.53: *Provided, however*, That in the event of a change in an organization, agency, or person specified or a change in the effective control of such organization, agency, or person, the licensee shall immediately notify the Commission of such change and shall file an application for modification of the instrument of authorization: *And provided further,* That where such change is occasioned by reason of circumstances beyond the control of the licensee, communication under the then outstanding instrument of authorization shall be permitted to continue pending consideration of and action upon the application for modification of the instrument of authorization.

§ 23.25 Points of communication, limitations.

No point of communication will be regularly authorized in any instrument of authorization for fixed public or fixed public press service in absence of an adequate showing that public correspondence may be transmitted and received from such points, except as provided in § 23.53.

§ 23.26 Use of transmitters.

The licensee of a point-to-point radiotelegraph or radiotelephone station may use any transmitter of the station for transmission upon any frequency assigned to the station for communication with any point of communication authorized by the station license: *Provided, however,* That the maximum power authorized for the specific frequency as shown in the license is not exceeded.

§ 23.27 Experimental research.

The licensee of a station may be authorized to use a transmitter which is licensed for fixed public or fixed public press service for experimental research in accordance with the rules and regulations governing the experimental service upon the condition that no interference will be caused to the public service. Experimental (Research) and Experimental (Developmental) Stations authorized to operate as point-to-point telegraph or telephone stations shall comply with the rules governing fixed public radio services in addition to the rules and regulations governing experimental radio services.

§ 23.28 Special temporary authorization.

(a) Requests for special temporary authority must be accompanied by a showing that interference will not be caused to the fixed public or fixed public press service for which the station is primarily licensed; and, in addition, such requests must be accompanied by the following:

(1) A statement of the call signs, location, and frequencies of the transmitting station; The call signs, location, and frequencies of the received station; and the type or types of emission to be employed by both stations.

(2) A statement as to whether the frequencies are to be used for contact control purposes only.

(3) A statement of the period for which the temporary authority is desired.

(4) A statement describing the service which is to be rendered.

(b) Temporary authorizations of operation not to exceed 180 days may be granted under the standards of section 309(f) of the Communications Act where extraordinary circumstances so require. Extensions of the temporary authorizations for a period of 180 days may also be granted, but the renewal applicant bears a heavy burden to show that extraordinary circumstances warrant such an extension.

[48 FR 27253, June 14, 1983]

§ 23.29 License period and expiration time.

(a) Licenses for stations operating in the fixed public radiocommunications services will be issued for a period of 10 years unless otherwise stated in the instrument of authorization. The date of expiration of such licenses shall be the 1st day of December, and each station license will be issued so as to expire at the hour 3 a.m., eastern standard time. Unless otherwise ordered, when an application for a new station license is granted within three months of the expiration date for licenses of the particular class of station involved, the license shall be issued for the unexpired period of the current license term and for the full succeeding term. If granted more than three months from the normal expiration date, the license shall be issued for the unexpired period of the current license term only.

(b) The Commission reserves the right to grant or renew station licenses in these services for a shorter period of time than that generally prescribed for such stations if, in its judgment, the public interest, convenience or necessity would be served by such action.

[28 FR 13032, Dec. 5, 1963, as amended at 36 FR 2562, Feb. 6, 1971; 38 FR 22480, Aug. 21, 1973; 48 FR 27253, June 14, 1983]

§ 23.31 Period of construction.

Each construction permit for a radio station in the fixed public service will specify the date of grant as the earliest date of commencement of construction and a maximum of eight months thereafter as the time within which construction shall be completed and the station ready for operation, unless otherwise determined by the Commission upon proper showing in any particular case.

§ 23.32 Equipment and service tests.

(a) Upon completion of construction of a radio station in exact accordance with the terms of the construction permit, the technical provisions of the application therefor and the other applicable provisions of this part and prior to filing of application for license, the permittee is authorized to test the equipment for a period not to exceed 10 days: *Provided*, That:

(1) The engineer in charge of the district in which the station is located is notified 2 days in advance of the beginning of tests.

(2) The Commission may notify the permittee to conduct no tests or may cancel, suspend, or change the date of beginning for the period of such tests as and when such action may appear to be in the public interest, convenience, and necessity.

(b) When construction and equipment tests are completed in exact accordance with the terms of the construction permit, the technical provisions of the application therefor, and the other applicable provisions of this part, and after an application for station license has been filed with the Commission showing the transmitter to be in satisfactory operating condition, the permittee is authorized to conduct service tests in exact accordance with the terms of the construction permit for a period not to exceed 30 days: *Provided*, That:

(1) The engineer in charge of the district in which the station is located is notified 2 days in advance of the beginning of the tests.

(2) The Commission reserves the right to cancel such tests or suspend, or change the date of beginning for the period of such tests as and when such action may appear to be in the public interest, convenience, and necessity by notifying the permittee.

(3) Service tests will not be authorized after the expiration date of the construction permit.

(c) The authorization for tests embodied in paragraphs (a) and (b) of this section shall not be construed as constituting a license to operate but as a necessary part of the construction.

§ 23.35 Compliance with tariff requirements.

No licensee authorized to perform common carrier service by means of radio communication shall engage in such service without compliance with all statutory provisions and regulations of the Commission relative to the filing of tariffs; and nothing contained in this part shall be deemed as a waiver or modification of any such statutory provision or regulation.

§ 23.36 Posting of license.

The license of a station shall be posted in a conspicuous place in the main transmitter building of the station or kept in such building where it is readily available for inspection purposes.

§ 23.37 Station identification.

(a) *General.* Every radiotelegraph or radiotelephone station in the International Fixed Public or Fixed Public Press Service shall transmit, as provided below, the identifying call sign or other approved identification signal on each of its assigned frequencies below 30 MHz on which energy is being radiated.

(b) *When required.* (1) The call sign assigned to each frequency shall be transmitted on that frequency at the beginning and end of each period of use of the frequency.

(2) During regular operation on any freuency, the call sign or other approved identification signal shall be transmitted at least at hourly intervals within the period from 10 minutes before to 10 minutes after each hour. If identification during this period would require an interruption in the transmission of a radio-photo, a telephone conversation, an addressed program or a multiple addressed press message, or a break in the continuity of a "conference" or "leased line" type of service, the identifying signal shall be transmitted at the first break in, at the conclusion of, or simultaneously with, the particular transmission as described below.

(c) *Methods of transmission.* (1) All identifying signals shall be transmitted in such a manner as to permit identification without special equipment other than communication type receivers, except as provided in paragraph (e) of this section. When emissions are being used which are not capable of identification without special equipment, the identifying signal shall be transmitted by one of the following methods:

(i) By interrupting the transmission and transmitting the call sign in a manner which can be identified without special equipment.

(ii) By superimposing the call sign or other approved identification signal on the emission being transmitted without interrupting the transmission as provided for by paragraphs (e) and (f) of this section.

(d) *Emissions to be used.* (1) Except as otherwise provided, the following emissions shall be used for identification:

(i) *Radiotelegraph stations.* The identifying call sign shall be transmitted by International Morse code at a speed not to exceed 25 words per minute and shall consist of the signal "QRA de" followed by the call sign. This transmission shall be made at least three times.

(ii) *Radiotelegraph stations using telephone type emissions.* When telephone type emissions are being used in accordance with § 23.11, identification may be made by voice and shall consist of announcing three times in English the call sign of the frequency being used

(iii) *Radiotelephone stations.* The identifying transmission may be made utilizing either telegraph or telephone type emissions. When telegraph emission is used, the transmission shall be made in International Morse Code at a speed not to exceed 25 words per minute and shall consist of the signal "QRA de" followed by the call sign. This transmission shall be made at least three times. When telephone emission is used, the identification shall consist of announcing three times in English the call sign of the frequency being used, provided that all privacy or secrecy devices shall be removed from the circuit during such transmissions.

(e) *Superimposed identification.* Radiotelegraph or radiotelephone stations identifying simultaneously with transmission of traffic: call signs or the general identification signal described in paragraph (f) of this section may be superimposed on the emission being transmitted by any method which will make identification possible with communication type receivers provided that approval of any such method shall first have been obtained from the Federal Communications Commission. (Approval by the Federal Communications Commission of any means of identification of complex emissions by superimposing identification of regular transmissions will be given upon satisfactory completion of coordinated tests thereof by the applicant and the Commission's Field Engineering Bureau.) Commission approval may be withdrawn if at any subsequent time harmful interference to adjacent frequencies is caused by the superimposed identification. When superimposed identification by call sign is used, the identifying signal shall consist of "QTT de (call sign)" transmitted at least three times in International Morse Code at a speed not to exceed 25 words per minute.

(f) *General identification signal.* When an approved method of superimposed identification is used, the identification signal shall consist of "QTT de (abbreviated name of company recorded with the Commission) (abbreviated name of station recorded with the Commission)." (It is suggested that "abbreviated company name" consist of two to five letters such as the initials of the company name and that "abbreviated name of station" consist of two or three letters indicating the name of the city where the licensee's message center is located. Both of these abbreviations shall be notified to the Commission before being used for identification.) This general identification signal shall be transmitted in International Morse Code at a speed not to exceed 25 words per minute and may be transmitted continuously or intermittently as desired provided that it shall be transmitted for at least five minutes total time during the period from 10 minutes before to 10 minutes after each hour that energy is being radiated on the frequency. The same signal may be superimposed on all transmissions being made at a particular station: *Provided, however,* That licensed call signs shall be transmitted on the frequencies to which they are assigned as often as is practicable and reasonable or at least at the beginning and end of each period of use of each frequency.

(g) *Identification by printer.* Notwithstanding the other provisions of this section with respect to methods of transmission, when single channel start-stop 5 unit code printer equipment is being used, the identifying call sign may be transmitted by means of printer signals. When identification is made by printer signals, it shall consist of the call sign for the particular frequency being used and shall be made at least three times at a speed of approximately 60 words per minute.

§ 23.38 Experimental points of communication, limitations.

Experimental (Research) or Experimental (Developmental) stations licensed to operate as point-to-point telegraph or telephone stations in the fixed public service may communicate only with other experimental stations located within the continental limits of the United States (except Alaska): *Provided, however,* That upon application the Commission may authorize such a station to communicate with one or more specific points in Alaska, Hawaii, possessions of the United States, or with a specific foreign point. In each such case, the Commission will determine the nature of the experimental transmissions which may be made to such point of communication.

§ 23.39 Inspection of tower lights and associated control equipment.

(a) The licensee of any fixed public radio station which has an antenna or antenna supporting structure(s) required to be illuminated pursuant to the provisions of section 303(q) of the Communications Act of 1934, as amended:

(1) Shall make a visual observation of the tower lights at least once each 24 hours to insure that all such lights are functioning properly as required.

(2) Shall report immediately by telephone or telegraph to the nearest Air Traffic Communications Station or office of the Federal Aviation Agency any observed failure of tower lights, not corrected within 30 minutes, regardless of the cause of such failure. Further notification by telephone or telegraph shall be given immediately upon resumption of the required illumination.

(3) Shall inspect at intervals of at least once each 3 months all flashing or rotating beacons and automatic lighting control devices to insure that such apparatus is functioning properly as required.

(b) Where an antenna or antenna supporting structure(s) is required to be illuminated the licensee shall make entries in the radio station log appropriate to the requirements of paragraph (a) of this section as follows:

(1) The time the tower lights are turned on and off if manually controlled.

(2) The time the daily visual observation of the tower lights is made.

(3) In the event of any observed failure of a tower light, (i) nature of such failure; (ii) time the failure was observed; (iii) time and nature of the adjustments, repairs or replacements made; (iv) Air Traffic Communications Station (F.A.A.) notified of the failure of any tower light not corrected within 30 minutes and the time such notice was given; (v) time notice was given to the Air Traffic Communications sta-

tion (F.A.A.) that the required illumination was resumed.

(4) Upon completion of the periodic inspection required at least once each 3 months, (i) the date of inspection and the condition of all tower lights and associated tower lighting control devices; (ii) any adjustments, replacements or repairs made to insure compliance with the lighting requirements.

§ 23.40 Changes in height or location of antenna.

The licensee of a fixed public radio station, the transmitter of which is authorized at a fixed location, shall not make any changes, without the express authority of the Commission, either in the height or the location of the antenna or its supporting structures, except when the existing or proposed antenna or structure has a maximum height not in excess of 100 feet above the ground, changes in height or local changes in location may be made without specific authorization. In no case shall any change in the height or location of the antenna or its supporting structures be made without authority when located or proposed to be located within 5 miles of an airport recognized by the Federal Aviation Agency or within 5 miles of the center line of an established Federal airway.

§ 23.41 Quarterly report of frequency usage.

(a) *Transmitted frequencies.* Each licensee in the international fixed radiocommunication services shall submit a report of frequency usage for all authorized frequencies below 30 MHz for each station. If more than one station is operated from a common control point, reports for the stations may be combined into one. This report shall be due 40 days after the close of each calendar quarter and shall contain the following information: Each frequency assigned to the station or stations and the number of hours it was used during the quarter to each point of communication for each class of service rendered (such as telegraph, telephone, program, or radiophoto), the types of emission normally used to each point of communication, and the total hours each frequency was used.

(b) *Received frequency report.* Upon specific request by the Commission, licensees in the international fixed public radiocommunication services shall furnish promptly the following information regarding frequencies received from all points of communication: All frequencies received, including call signs, location of transmitting station, type and bandwidth of emission normally employed, point of reception, and a symbol from the following table indicating the amount of usage of the particular received frequency.

Symbol	Usage
D	Daily regular use during business days.
O	Occasional use; not used daily, but offered frequently when required by propagation or operational conditions.
S	Seldom received; where records indicate light use during the past year.
L	Limited use; limited by solar activity to a part of the solar cycle or to a part of each year.

The following criteria shall be used to determine whether or not a frequency shall be reported as received:

(1) Report all frequencies regularly used during the period under consideration.

(2) Report frequencies received consistently during a substantial part of any cyclical change in frequency usefulness even though they may be unused for considerable periods of time during another part of the cycle.

(3) Do not report any frequency, the use of which is known to have been discontinued or transferred to another operation by a foreign correspondent.

(4) Do not report any frequency which has been inactive for a period of 6 months or longer, except as indicated in paragraph (b)(2) of this section.

[38 FR 22480, Aug. 21, 1973]

§ 23.42 License, simultaneous modification and renewal.

When an application is granted by the Commission necessitating the issuance of a modified license less than 60 days prior to the expiration date of the license sought to be modified, and an application for renewal of said license is granted subsequent or prior thereto (but within 30 days of expiration of the present license) the modified license as well as the renewal license shall be issued to conform to the combined action of the Commission.

§ 23.43 Maintenance tests of licensed stations.

Station licensees are authorized to carry on such routine tests as may be required for the proper maintenance of the stations: *Provided*, That the tests shall be so conducted as not to cause interference with the service of other stations.

§ 23.44 Station inspection.

The licensee of any radio station shall make the station available for inspection by representatives of the Commission at any reasonable hour.

§ 23.45 Operator license, posting of.

The original license of each station operator shall be posted at the place where he is on duty.

§ 23.46 Operators, class required and general duties.

(a) The operation and control of all transmitting apparatus licensed at a station in the international fixed public radiocommunication services shall be carried on only by a person holding a valid operator license issued by the Commission, except as provided in other paragraphs of this section.

(b) Classes of operator licenses required are as follows:

(1) Radiotelegraph stations: Radiotelegraph or Radiotelephone first- or second-class license: *Provided, however*:

(i) If manual morse code keying is used for transmitting public correspondence, the person manipulating the telegraph key shall be the holder of a radio-telegraph first- or second-class license except as provided by paragraph (b)(1)(iv) of this section;

(ii) If manual morse code keying is used only for the purposes of identification or for sending service messages, the person manipulating the telegraph key shall be the holder of a radiotelegraph third-class permit or higher class of radiotelegraph license except as provided by paragraph (b)(1)(iv) of this section;

(iii) If automatic keying equipment is used, the operator of such equipment may send short service signals (requests for repeats, etc.) by manual morse code without being the holder of a radio operator license.

(iv) Unlicensed telegraph operators of appropriate skill as determined by the radio station licensee may manipulate the telegraph key of radiotelegraph stations provided that properly licensed radiotelegraph operators are on duty at the transmitting station or authorized remote control point and that such licensed operators are fully responsible for the proper operation of the transmitting equipment.

(2) Radiotelephone stations: Radiotelephone first- or second-class license: *Provided, however*, that, if manual morse code keying is employed in accordance with § 23.12, the person manipulating the telegraph key shall be the holder of a valid radiotelegraph third-class permit or higher class of radiotelegraph license.

(3) Radiotelegraph-Radiotelephone stations: Provisions under paragraph (b)(1) of this section are applicable.

(4) International control stations: Radiotelegraph or radiotelephone first- or second-class license.

(c) One or more licensed operators of the grade specified in paragraph (b) of this section shall be on duty at the place where the transmitting apparatus is located and in actual charge thereof when it is being operated: *Provided, however*, That:

(1) In case of stations in these services operating on frequencies above 30 MHz, the Commission may authorize unattended operation upon application therefor and showing that the equipment is so designed and constructed as to make such operation feasible. When such unattended operation is authorized, properly licensed operators shall be on duty at a terminal of the system of which the unattended station or stations are a part or shall be available on call to perform necessary maintenance duties.

(2) In the case of a station where remote control is used, the Commission may grant authority to employ an operator or operators at the control

point in lieu of the place where the transmitting apparatus is located, provided that the following conditions are complied with:

(i) The transmitter shall be so installed and protected that it is not accessible to other than duly authorized persons.

(ii) A device shall be provided at the remote control point which gives a continuous visual indication whenever the control circuits have been placed in a condition to activate the radio transmitting apparatus.

(iii) Provision shall be made to monitor aurally all transmissions originating under control of the responsible operator at the remote point.

(iv) The radiation of the transmitter shall be suspended immediately when there is a deviation from the terms of the station license or applicable provisions of this chapter.

(v) When remote control of a transmitter is performed from a separate location such as a message center or telephone exchange and manual morse code keying is not used, the operator(s) at that point need not be licensed by the Commission provided that licensed operator(s) are on duty at the transmitter location or authorized remote control point at all times that the station is in operation, and they are fully responsible for the proper operation of the transmitting equipment. If manual morse code keying is used at a remote control point, the provisions of paragraph (b)(1) of this section shall apply.

(3) When a radio station is radiating, all adjustments or tests during or coincident with the installation and servicing or maintenance of the transmitter and its associated equipment which may affect the quality of transmission or possibly cause the station radiation to exceed the limits specified in its instrument of authorization or in the rules pertaining to such station shall be made by or under the immediate supervision and responsibility of a person holding the proper license, who shall be responsible for the proper functioning of the radio facilities. A radiotelephone station must be under the supervision of a person holding a radiotelephone or radiotelegraph first- or second-class license, and a radiotelegraph station must be under the supervision of a person holding a radiotelegraph first- or second-class license.

(4) When a radio station is not radiating, persons of appropriate technical skill, who are not licensed radio operators, may perform the functions described in paragraph (c)(3) of this section without direct supervision after having been authorized to do so by the responsible licensed operator under whose immediate supervision the facilities shall thereafter initially be placed in operation and be determined to be operating properly.

[38 FR 22480, Aug. 21, 1973]

§ 23.47 Station records.

(a) Station records shall be kept in an orderly manner, and in such detail that the data required is readily available. Key letters, abbreviations, or symbols may be used if proper meaning or explanation is set forth in the record.

(b) Each entry in the records of a station shall be made by a person qualified to do so and having actual knowledge of the facts to be recorded, and each entry shall clearly identify the person making the entry. Each entry or group of entries shall be certified by the signature of the person or persons responsible: *Provided*, That each physical page contain such certification: *And provided further*, That any such group of entries contain entries made only during a single daily period of duty.

(c) No record or portions thereof shall be erased, obliterated, or willfully destroyed within the required retention period. Any necessary correction may be made only by the person originating the entry, who shall strike out the erroneous portion, initial the corrections made, and indicate the date of correction.

(d) The records required by this part shall be retained for a period of at least 1 year: *Provided, that:*

(1) Records involving communications incident to a disaster or which include communications incident to, or involved in, an investigation by the Commission and concerning which the licensee has knowledge shall be retained by the licensee until specifically

authorized in writing by the Commission to destroy them.

(2) Records incident to or involved in any claim or complaint of which the licensee has knowledge shall be retained by the licensee until such claim or complaint has been fully satisfied or until the same has been barred by statute limiting the time for the filing of suit upon such claim.

[38 FR 22481, Aug. 21, 1973]

§ 23.48 Content of station records.

(a) For each station in the services under this part, except stations in the international fixed public control service, the licensee shall maintain a technical log of the station operating showing:

(1) Signature of each licensed operator responsible for the operation of the transmitting equipment and an indication of his hours of duty.

(2) Hours of use of each frequency assignment and type of emission indicating time of beginning and end of each period of operation and points of communication to which each frequency is used (or area if service is pursuant to § 23.53).

(3) Hours of use of each transmitter indicating time of beginning and end of each period of operation.

(4) Power input to the final stage of each transmitter.

(5) Dates and results of each frequency measurement.

(b) For stations in the international fixed public control service, the licensee shall maintain a technical log of the station operating showing:

(1) Normal hours of operation and dates and times of interruptions to service.

(2) Dates and results of each frequency measurement.

(3) When service or maintenance duties are performed, the responsible operator shall sign and date the station record giving pertinent details of all duties performed by him or under his supervision; his name and the class, serial number, and date of expiration of his license.

(c) For each station having an antenna structure which is required to be obstruction-lighted, appropriate entries shall be made in the station's technical log as required by § 23.39.

[38 FR 22481, Aug. 21, 1973]

§ 23.49 Discontinuance of operation.

The licensee of each fixed radio station except stations operating in Alaska, shall notify the Engineer in Charge of the district where such station is located of any of the following changes in the status of such station at least two days before such change: (a) Temporary discontinuance of operation for a period of ten days or more; (b) the date of resumption of operation after temporary discontinuance of operation for a period of ten days or more; (c) permanent discontinuance of operation: *Provided, however,* Where any such discontinuance of operation is not voluntary and results from causes beyond the control of the licensee, notice thereof shall be given not later than two days after such discontinuance of operation. In all cases of permanent discontinuance of operation the licensee shall, in addition to notifying the engineer of intention to discontinue operation, immediately forward the station license to the Washington, D.C., office of the Commission for cancellation.

[28 FR 13002, Dec. 5, 1963, as amended at 30 FR 7176, May 28, 1965; 35 FR 10447, June 26, 1970. Redesignated at 38 FR 22481, Aug. 21, 1973]

§ 23.50 Place of filing application; fees and number of copies.

(a) Standard numbered forms applicable to the international fixed public radiocommunication services discussed within the subpart are as follows:

Form No.	Description
403	Application for radio station license or modification thereof.
405	Application for renewal of radio station license in specified services.
407	Application for radio station construction permit.
408	Application for temporary authorization in addition to authority contained in license.
701	Application for additional time to construct radio station.
702	Application for consent to assignment of radio station construction permit or license (for stations in services other than broadcast).
704	Application for consent to transfer of control of corporation holding common carrier radio station construction permit or license.

Form No.	Description
714	Supplement to application for new or modified radio station authorization (concerning antenna structure notification to FAA).

These forms may be obtained from the Secretary, Federal Communications Commission, Washington, DC 20554, or from any of the Commission's engineering field offices, the addresses of which are listed in § 0.121(a) of this chapter.

(b) Every application for a radio station authorization and all correspondence relating thereto shall be submitted to the Commission's office at Washington, DC 20554. Applications requiring fees as set forth at Part 1, Subpart G of this chapter must be filed in accordance with § 0.401(b) of the rules.

(c) Unless otherwise specified in a particular case, or for a particular form, each application, including exhibits and attachments thereto, shall be filed in duplicate.

(d) Each application shall be accompanied by a fee prescribed in Subpart G of Part 1 of this chapter.

[38 FR 22481, Aug. 21, 1973, as amended at 52 FR 5294, Feb. 20, 1987; 52 FR 10230, Mar. 31, 1987]

§ 23.51 Addressed program material.

(a) Stations operating in the fixed public service and in the fixed public press service may be authorized to transmit addressed program material to a fixed point, or points, outside the 48 contiguous States and the District of Columbia, specifically named in the instrument of authorization granted to the licensee, intended for broadcast only by a broadcast station. Any such authorization shall be subject to the condition that no interference is caused to the authorized regular service of the station as defined by § 23.8.

(b) Such stations may also, upon proper application therefor, be authorized to transmit addressed program material to any such fixed point in South or Central America for simultaneous interception and broadcast by a broadcast station at one or more additional points in the same general area upon a showing that public message service to such fixed point of communication will not be unduly impaired. Application for such authority shall be submitted not less than 10 days prior to the proposed date of the the first interception. Such application shall show, in addition to the proposed intercept and broadcast points, the South or Central American station or stations over which the program will be broadcast, a full description of the arrangements made for such intercept and broadcast, and the period for which such authority is requested. Authorizations will be limited to the period for which arrangements for broadcasting by South or Central American stations have been made and in no event will extend beyond the term of the point-to-point station license.

§ 23.52 Mobile stations, transmission simultaneously to.

A point-to-point telegraph station, in addition to the fixed points of communication specified in an instrument of authorization, may be authorized to communicate simultaneously with mobile stations for the transmission of press material destined primarily to fixed points.

§ 23.53 Addressed press and meteorological services.

(a) The licensee of a station in the fixed public or fixed public press service may be authorized to transmit, without coordinated reception, addressed press messages (including press facsimile and photographs) and weather maps, charts and photographs for reception at overseas or foreign points by meteorological organizations by facsimile and radio phototelegraphy, to one or more persons at one or more fixed points not specifically named in its license: *Provided, however,* That the licensee, upon institution of addressed press service to any point, shall promptly notify the Commission of the following:

(1) The name and location of the person subscribing to such service.

(2) The date of institution of such service, and

(3) The location of the licensee's station from which such service is transmitted.

Any authority, granted under this paragraph, to transmit addressed press messages to any person or to any point may be terminated by the Commission upon notice to the licensee within 30 days after notification of institution of service to such person or point is filed by the licensee.

(b) In the event of the deletion of service to any point or to any person or any change with respect to the facts reported under paragraph (a) (1) or (3) of this section, the licensee shall promptly notify the Commission of such deletion or change and the date thereof.

(c) On or before the first day of February and the first day of August of each year, the licensee shall submit, for each of its stations authorized to render addressed press service in accordance with provisions of this section, a recapitulative list, as of the first day of January and the first day of July respectively of that year, containing the following:

(1) The name and location of each person subscribing to such service, and

(2) The date of institution of such service to each person at each point.

[28 FR 13032, Dec. 5, 1963, as amended at 36 FR 2562, Feb. 6, 1971]

§ 23.54 Use of double sideband radiotelephone.

Use of double sideband radiotelephone transmissions, on frequencies below 30 MHz, shall be held to a minimum with a view towards discontinuance of such operations as soon as possible. Except in cases where the foreign correspondent is unable to receive single sideband transmissions, double sideband radiotelephone shall not be transmitted after January 1, 1965.

§ 23.55 Equal employment opportunities.

(a) *General policy.* Equal opportunity in employment shall be afforded by all common carrier licensees or permittees to all qualified persons, and no personnel shall be discriminated against in employment because of sex, race, color, religion, or national origin.

(b) *Equal employment opportunity program.* Each licensee or permittee shall establish, maintain, and carry out, a positive continuing program of specific practices designed to assure equal opportunity in every aspect of employment policy and practice. Under the terms of its program, a licensee or permittee shall:

(1) Define the responsibility of each level of management to insure a positive application and vigorous enforcement of the policy of equal opportunity, and establish a procedure to review and control managerial and supervisory performance.

(2) Inform its employees and recognized employee organizations of the positive equal employment opportunity policy and program and enlist their cooperation.

(3) Communicate its equal employment opportunity policy and program and its employment needs to sources of qualified applicants without regard to sex, race, color, religion, or national origin, and solicit their recruitment assistance on a continuing basis.

(4) Conduct a continuing campaign to exclude every form of prejudice or discrimination based upon sex, race, color, religion, or national origin, from the licensees' or permittees' personnel policies and practices and working conditions.

(5) Conduct a continuing review of job structure and employment practices and adopt positive recruitment, training, job design and other measures needed in order to insure genuine equality of opportunity to participate fully in all organizational units, occupations and levels of responsibility.

(c) *Additional information to be furnished to the Commission.* (1) Equal Employment Programs to be filed by common carrier licensees or permittees.

(i) All licensees or permittees will file a statement of their equal employment opportunity program not later than December 17, 1970, indicating specific practices to be followed in order to assure equal employment opportunity on the basis of sex, race, color, religion, or national origin in such aspects of employment practices as regards recruitment, selection, training, placement, promotion, pay, working conditions, demotion, layoff, and termination.

(*a*) Any changes or amendments to existing programs should be filed with the Commission on April 1 of each year thereafter.

(*b*) If a licensee or permittee has fewer than 16 full-time employees, no such statement need be filed.

(2) The program should reasonably address itself to such specific areas as set forth below, to the extent that they are appropriate in terms of licensee size, location, etc.

(i) *To assure nondiscrimination in recruiting.* (*a*) Posting notices in the licensee's or permittee's offices informing applicants for employment of their equal employment rights and their right to notify the Equal Employment Opportunity Commission, the Federal Communications Commission, or other appropriate agency. Where a substantial number of applicants are Spanish-surnamed Americans such notice should be posted in Spanish and English.

(*b*) Placing a notice in bold type on the employment application informing prospective employees that discrimination because of sex, race, color, religion, or national origin is prohibited and that they may notify the Equal Employment Opportunity Commission, the Federal Communications Commission or other appropriate agency if they believe they have been discriminated against.

(*c*) Placing employment advertisements in media which have significant circulation among minority-group people in the recruiting area.

(*d*) Recruiting through schools and colleges with significant minority-group enrollments.

(*e*) Maintaining systematic contacts with minority and human relations organizations, leaders, and spokesmen to encourage referral of qualified minority or female applicants.

(*f*) Encouraging present employees to refer minority or female applicants.

(*g*) Making known to the appropriate recruitment sources in the employer's immediate area that qualified minority members are being sought for consideration whenever the licensee hires.

(ii) *To assure nondiscrimination in selection and hiring.* (*a*) Instructing personally those on the staff of the licensee or permittee who make hiring decisions that all applicants for all jobs are to be considered without discrimination.

(*b*) Where union agreements exist, cooperating with the union or unions in the development of programs to assure qualified minority persons or females of equal opportunity for employment, and including an effective nondiscrimination clause in new or renegotiated union agreements.

(*c*) Avoiding use of selection techniques or tests which have the effect of discriminating against minority groups or females.

(iii) *To assure nondiscriminatory placement and promotion.* (*a*) Instructing personally those of the licensee's or permittee's staff who make decisions on placement and promotion that minority employees and females are to be considered without discrimination, and that job areas in which there is little or no minority or female representation should be reviewed to determine whether this results from discrimination.

(*b*) Giving minority groups and female employees equal opportunity for positions which lead to higher positions. Inquiring as to the interest and skills of all lower-paid employees with respect to any of the higher-paid positions, followed by assistance, counseling, and effective measures to enable employees with interest and potential to qualify themselves for such positions.

(*c*) Reviewing seniority practices to insure that such practices are nondiscriminatory and do not have a discriminatory effect.

(*d*) Avoiding use of selection techniques or tests, which have the effect of discriminating against minority groups or females.

(iv) *To assure nondiscrimination in other areas of employment practices.* (*a*) Examining rates of pay and fringe benefits for present employees with equivalent duties, and adjusting any inequities found.

(*b*) Proving opportunity to perform overtime work on a basis that does not discriminate against qualified minority group or female employees.

(d) *Report of complaints filed against licensees and permittees.* (1) All licensees or permittees shall submit an annual report to the FCC no later than May 31 of each year indicating whether any complaints regarding violations by the licensee or permittee of equal employment provisions of Federal, State, Territorial, or local law have been filed before any body having competent jurisdiction.

(i) The report should state the parties involved the date filing, the courts or agencies before which the matters have been heard, the appropriate file number (if any), and the respective disposition or current status of any such complaints.

(ii) Any licensee or permittee who has filed such information with the EEOC need not do so with the Commission, if such previous filing is indicated.

(e) *Complaints of violations of Equal Employment Programs.* (1) Complaints alleging employment discrimination against a common carrier licensee will be considered by the Commission in the following manner:

(i) If a complaint raising an issue of discrimination is received against a licensee or permittee who is within the jurisdiction of the EEOC, it will be submitted to that agency. The Commission will maintain a liaison with that agency which will keep the Commission informed of the disposition of complaints filed against any of the common carrier licensees.

(ii) Complaints alleging employment discrimination against a common carrier licensee of permittee who does not fall under the jurisdiction of the EEOC but is covered by appropriate enforceable State law, to which penalties apply, may be submitted by the Commission to the respective State agency.

(iii) Complaints alleging employment discrimination against a common carrier licensee or permittee who does not fall under the jurisdiction of the EEOC or an appropriate State law, will be accorded appropriate treatment by the FCC.

(iv) The Commission will consult with the EEOC on all matters relating to the evaluation and determination of compliance by the common carrier licensees or permittees with the principles of equal employment as set forth herein.

(2) Complaints indicating a general pattern of disregard of equal employment practices which are received against a licensee or permittee who is required to file an employment report to the Commission under § 1.815(a) of this chapter will be investigated by the Commission.

(f) *Records available to public*—(1) *Commission records.* A copy of every annual employment report, equal employment opportunity program, and reports on complaints regarding violation of equal employment provisions of Federal, State, Territorial, or local law, and copies of all exhibits, letters, and other documents filed as part thereof, all amendments thereto, all correspondence between the permittee or licensee and the Commission pertaining to the reports after they have been filed and all documents incorporated therein by reference, are open for public inspection at the offices of the Commission.

(2) *Records to be maintained locally for public inspection by licensees or permittees*—(i) *Records to be maintained.* Each licensee or permittee required to file annual employment reports, equal employment opportunity programs, and annual reports on complaints regarding violations of equal employment provisions of Federal, State, Territorial, or local law shall maintain for public inspection, in the same manner and in the same locations as required for the keeping and posting of tariffs as set forth in § 61.72 of this chapter, a file containing a copy of each such report and copies of all exhibits, letters, and other documents filed as part thereto, all correspondence between the permittee or licensee and the Commission pertaining to the reports after they have been filed and all documents incorporated therein by reference.

(ii) *Period of retention.* The documents specified in paragraph (f)(2)(i) of this section shall be maintained for a period of 2 years.

[35 FR 12894, Aug. 14, 1970, as amended at 36 FR 3119, Feb. 18, 1971. Redesignated at 38 FR 22481, Aug. 21, 1973]

PART 25—SATELLITE COMMUNICATIONS

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AUTHORITY: Sections 101-404, 76 Stat. 419-427; 47 U.S.C.701-744. Sec. 4, 48 Stat. 1066, as amended; 47 U.S.C. 154. Interprets or applies sec. 303, 48 Stat. 1082, as amended; 47 U.S.C. 303.

Subpart A—General

§ 25.101 Basis and scope.

(a) The rules and regulations in this part are issued pursuant to the authority contained in section 201(c)(11) of the Communications Satellite Act of 1962.

(b) The rules and regulations in this part supplement, and are in addition to the rules and regulations contained in or to be added to, other parts of this chapter currently in force, or which may subsequently be promulgated, and which are applicable to matters relating to communications by satellites.

[28 FR 13037, Dec. 5, 1963]

§ 25.102 [Reserved]

§ 25.103 Definitions.

(a) *Communications common carrier.* The term "communications common carrier" as used in this part means any person (individual, partnership, association, joint-stock company, trust, corporation, or other entity) engaged as a common carrier for hire, in interstate or foreign communication by wire or radio or in interstate or foreign radio transmission of energy, including such carriers as are described in subsection 2(b) (2) and (3) of the Communications Act of 1934, as amended, and, in addition, for purposes of Subpart H of this part, includes any individual, partnership, association, joint-stock company, trust, corporation, or other entity which owns or controls, directly or indirectly, or is under direct or indirect common control with, any such carrier.

(b) *Authorized carrier.* (1) Except as provided in paragraph (b)(2) of this section, the term "authorized carrier" means a communications common carrier which is authorized by the Federal Communications Commission under the Communications Act of 1934, as amended, to provide services by means of communications satellites.

(2) For the purposes of Subpart H of this part, the term "authorized carrier" means a communications common carrier which is specifically authorized or which is a member of a class of carriers authorized by the Commission to own shares of stock in the corporation.

(c) *Communications satellite corporation.* (1) The terms "communications satellite corporation" or "corporation" as used in this part mean the corporation created pursuant to the provisions of Title III of the Communications Satellite Act of 1962.

(2) The corporation shall be deemed to be a common carrier within the meaning of section 3(h) of the Communications Satellite Act of 1962.

(d) *Communication-satellite earth station complex.* The term communication-satellite earth station complex includes transmitters, receivers, and communications antennas at the earth station site together with the interconnecting terrestrial facilities (cables, lines, or microwave facilities) and modulating and demodulating equipment necessary for processing of traffic received from the terrestrial distribution system(s) prior to transmission via satellite and of traffic received from the satellite prior to transfer of channels of communication to terrestrial distribution system(s).

(e) *Communication-satellite earth station complex functions.* The communication-satellite earth station complex interconnects with terminal equipment of common carriers or authorized entities at the interface; accepts traffic from such entities at the interface, processes for transmission via satellite and performs the transmission function; receives traffic from a satellite or satellites, processes it in a form necessary to deliver channels of communication to terrestrial common carriers or such other authorized entities and delivers the processed traffic to such entities at the interface.

(f) *Interface.* The point of interconnection between two distinct but adjacent communications systems having different functions. The interface in the communication-satellite service is that point where communications terminal equipment of the terrestrial common carriers or other authorized entities interconnects with the terminal equipment of the communication-satellite earth station complex. The interface in the communication-satellite service shall be located at the earth station site, or if this is impracticable, as close thereto as possible.

[28 FR 13037, Dec. 5, 1963, as amended at 31 FR 3289, Mar. 2, 1966]

§ 25.104 Preemption of local zoning of earth stations.

State and local zoning or other regulations that differentiate between satellite receive-only antennas and other types of antenna facilities are preempted unless such regulations:

(a) Have a reasonable and clearly defined health, safety or aesthetic objective; and

(b) Do not operate to impose unreasonable limitations on, or prevent, reception of satellite delivered signals by receive-only antennas or to impose costs on the users of such antennas that are excessive in light of the purchase and installation cost of the equipment.

Regulation of satellite transmitting antennas is preempted in the same manner except that state and local health and safety regulation is not preempted.

[51 FR 5526, Feb. 14, 1986]

Subpart B—Communications Satellite Procurement Regulations [Reserved]

Subpart C—Technical Standards

SOURCE: 30 FR 7176, May 28, 1965, as amended at 36 FR 2562, Feb. 6, 1971, unless otherwise noted.

§ 25.201 Definitions.

Active satellite. An earth satellite carrying a station intended to transmit or re-transmit radiocommunication signals.

Base Earth Station. An earth station in the fixed-satellite service or, in some cases, in the land mobile-satellite service, located at a specified fixed point or within a specified area on land to provide a feeder link for the land mobile-satellite service. (RR)

Coordination distance. For the purposes of this part, the expression "coordination distance" means the distance from an earth station, within which there is a possibility of the use of a given transmitting frequency at this earth station causing harmful interference to stations in the fixed or mobile service, sharing the same band, or of the use of a given frequency for reception at this earth station receiving harmful interference from such stations in the fixed or mobile service.

Earth station. A station located either on the Earth's surface or within the major portion of the Earth's atmosphere intended for communication:

(a) With one or more space stations; or

(b) With one or more stations of the same kind by means of one or more reflecting satellites or other objects in space.

Fixed earth station. An earth station intended to be used at a specified fixed point.

Fixed-satellite service. A radiocommunication service between Earth stations at specified fixed points when one or more satellites are used; in some cases this service includes satellite-to-satellite links, which may also be effected in the inter-satellite service; the fixed-satellite service may also include feeder links for other space radiocommunication services.

Geostationary satellite. A geosynchronous satellite whose circular and direct orbit lies in the plane of the Earth's equator and which thus remains fixed relative to the Earth; by extension, a satellite which remains approximately fixed relative to the Earth.

Inter-Satellite Service. A radiocommunication service providing links between artificial earth satellites.

Land Earth Station. An earth station in the fixed-satellite service or, in some cases, in the mobile-satellite service, located at a specified fixed point or within a specified area on land to provide a feeder link for the mobile-satellite service. (RR)

Land Mobile Earth Station. A mobile earth station in the land mobile-satellite service capable of surface movement within the geographical limits of a country or continent. (RR)

Mobile earth station. An earth station intended to be used while in motion or during halts at unspecified points.

Passive satellite. An earth satellite intended to transmit radio communication signals by reflection.

Radiodetermination-Satellite Service. A radiocommunication service for the purpose of radiodetermination involving the use of one of more space stations. This service may also include feeder links necessary for its own operation. (RR)

Satellite system. A space system using one or more artificial earth satellites.

Spacecraft. A man-made vehicle which is intended to go beyond the major portion of the Earth's atmosphere.

Space operation service. A radiocommunication service concerned exclusively with the operation of spacecraft, in particular space tracking, space telemetry and space telecommand. These functions will normally be provided within the service in which the space station is operating.

Space radiocommunication. Any radiocommunication involving the use of one or more space stations or the use of one or more reflecting satellites or other objects in space.

Space station. A station located on an object which is beyond, is intended to go beyond, or has been beyond, the major portion of the Earth's atmosphere.

Space system. Any group of cooperating earth stations and/or space stations employing space radiocommunication for specific purposes.

Space telecommand. The use of radiocommunication for the transmission of signals to a space station to initiate, modify or terminate function of the equipment on a space object, including the space station.

Space telemetering. The use of telemetering for the transmission from a space station of results of measurements made in a spacecraft, including those relating to the functioning of the spacecraft.

Space tracking. Determination of the orbit, velocity or instantaneous position of an object in space by means of radiodetermination, excluding primary radar, for the purpose of following the movement of the object.

Terrestrial radiocommunication. Any radiocommunication other than space radiocommunication or radio astronomy.

Terrestrial station. A station effecting terrestrial radiocommunication.

[30 FR 7176, May 28, 1965, as amended at 36 FR 2562, Feb. 6, 1971; 48 FR 40254, Sept. 6, 1983; 51 FR 18445, May 20, 1986; 54 FR 49993, Dec. 4, 1989]

§ 25.202 Frequencies, frequency tolerance and emission limitations.

(a)(1) *Frequency bands.* The following frequencies are available for use by the fixed-satellite service. Precise frequencies and bandwidths of emission will be assigned on a case-by-case basis.

Space-to-Earth	Earth-to-space
3700–4200 MHz[1],	5925–6425 MHz.[1],
10.95–11.2 GHz[2],	14.0–14.5 GHz.[3],
11.45–11.7 GHz[2],	27.5–29.5 GHz.[1],
11.7–12.2 GHz	29.5–30.0 GHz.
17.7–19.7 GHz[1]	
19.7–20.0 GHz	

[1] This band is shared coequally with terrestrial radiocommunication services.

[2] Use of this band by the fixed-satellite service is limited to international systems, i.e. other than domestic systems. These bands are also shared on a co-equal basis with terrestrial radiocommunication services.

[3] The band 14.0–14.3 GHz is shared coequally with the radionavigation service, and the band 14.4–14.5 GHz is shared with Government terrestrial radiocommunication services in accordance with the provisions of footnote US234 in the Table of Frequency Allocations.

(2) The following frequencies are available for use by the *Radiodetermination Satellite Service*:

1610–1626.5 MHz: User-to-Satellite Link
2483.5–2500 MHz: Satellite-to-User Link

Fixed-Satellite service frequencies may be used for links between radiodetermination satellites and control centers, including the following designated bands, subject to the Rules in this subpart:

5150–5216 MHz: Satellite-to-Control Center Link
6525–6541.5 MHz: Control Center-to-Satellite Link

(b) Other frequencies and associated bandwidths of emission may be assigned on a case-by-case basis to space systems under this part in conformance with § 2.106 of this chapter and the Commission's rules and policies.

(c) Applicants, permittees and licensees of radio stations governed by this part shall provide the Commission with all information it requires for the Advance Publication, coordination and notification of frequency assignments pursuant to the international Radio Regulations and Article XIV of the INTELSAT Agreement. This information includes, but is not limited to, that specified in Appendixes 3 and 4 of the Radio Regulations (Geneva 1979). No protection from interference caused by radio stations authorized by other Administrations is guaranteed unless coordination procedures are timely completed or, with respect to individual administrations, by successfully completing coordination agreements. Any radio station authorization for which coordination has not been completed may be subject to additional terms and conditions as required to effect coordination of the frequency assignments with other Administrations.

(d) Orbital locations assigned to space stations licensed under this part by the Commission are subject to change by summary order of the Commission on 30 days notice. An authorization to construct and/or to launch a space station becomes null and void if the construction is not begun or is not completed, or if the space station is not launched and positioned at its assigned orbital location and operations commenced in accordance with the station authorization, by the respective date(s) specified in the authorization. Frequencies and orbital location assignments are subject to the policies and procedures set forth in the Report and Order, FCC 83-184, adopted April 27, 1983 in CC Docket No. 81-704, for domestic satellite space stations and in the Report and Order, adopted July 25, 1985 in CC Docket No. 84-1299 for international space stations, and the licensees of such space stations shall comply with the requirements set forth in that decision.

(e) *Frequency tolerance, Earth stations.* The carrier frequency of each earth station transmitter authorized in these services shall be maintained within 0.001 percent of the reference frequency.

(f) *Frequency tolerance, space stations.* The carrier frequency of each space station transmitter authorized in these services shall be maintained within 0.002 percent of the reference frequency.

(g) *Emission limitations.* The mean power of emissions shall be attenuated below the mean output power of the transmitter in accordance with the following schedule:

(1) In any 4 kHz band, the center frequency of which is removed from the assigned frequency by more than 50 percent up to and including 100 percent of the authorized bandwidth: 25 dB;

(2) In any 4 kHz band, the center frequency of which is removed from the assigned frequency by more than 100 percent up to and including 250 percent of the authorized bandwidth: 35 dB;

(3) In any 4 kHz band, the center frequency of which is removed from the assigned frequency by more than 250 percent of the authorized bandwidth: An amount equal to 43 dB plus 10 times the logarithm (to the base 10) of the transmitter power in watts;

(4) In any event, when an emission outside of the authorized bandwidth causes harmful interference, the Commission may, at its discretion, require greater attenuation than specified in paragraphs (g) (1), (2), and (3) of this section.

[30 FR 7176, May 28, 1965, as amended at 36 FR 2562, Feb. 6, 1971; 38 FR 8573, Apr. 4, 1973; 39 FR 33527, Sept. 18, 1974; 48 FR 40254, Sept. 6, 1983; 50 FR 36079, Sept. 5, 1985; 51 FR 18445, May 20, 1986; 51 FR 20975, June 10, 1986; 54 FR 49993, Dec. 4, 1989]

§ 25.203 Choice of sites and frequencies.

(a) Sites and frequencies for earth stations, operating in frequency bands shared with equal rights between terrestrial and space services, shall be selected, to the extent practicable, in areas where the surrounding terrain and existing frequency usage are such as to minimize the possibility of harmful interference between the sharing services.

(b) An applicant for an earth station authorization in a frequency band shared with equal rights with terrestrial microwave services shall compute the great circle coordination distance contour(s) for the proposed station in accordance with the procedures set forth in §§ 25.251 through 25.253 and the rain scatter coordination distance contour(s) for the proposed station in accordance with the procedures set forth in § 25.254. The applicant shall submit with his application a map or maps drawn to appropriate scale and in a form suitable for reproduction indicating the location of the proposed station and these contours. These maps, together with the pertinent data on which the computation of these contours is based, including all relevant transmitting and/or receiving parameters of the proposed station that might be useful in assessing the likelihood of interference, an appropriately scaled plot of the elevation of the local horizon as a function of azimuth, and the electrical characteristics of the earth station antenna(s), shall be submitted by the applicant in a single exhibit to his application. At a minimum, this exhibit (labeled "Exhibit 2"), shall include the information listed in paragraph (c)(2) of this section. An earth station applicant shall also include in his application relevant technical details (both theoretical calculations and/or actual measurements) of any special techniques, such as the use of artificial site shielding, or operating procedures or restrictions at the proposed earth station which are to be employed to reduce the likelihood of interference, or of any particular characteristics of the earth station site, such as horizon obstacles closer than 1 kilometer, which could have an effect on the calculation of the coordination distance.

(c) Prior to the filing of his application, an earth station applicant shall coordinate the proposed frequency usage with existing terrestrial users and with applicants for terrestrial station authorizations with previously filed applications in accordance with the following procedure:

(1) An applicant for an earth station authorization shall perform an interference analysis in accordance with the procedures set forth in § 25.255 for each terrestrial station, for which a license or construction permit has been granted or for which an application has been accepted for filing, which is or is to be operated in a shared frequency band to be used by the proposed earth station and which is located within the great circle coordination distance contour(s) of the proposed earth station.

(2) The earth station applicant shall provide each such terrestrial station licensee, permittee, and prior filed applicant with the technical details of the proposed earth station and the relevant interference analyses that were made. At a minimum, the earth station applicant shall provide the terrestrial user with the following technical information:

(i) The geographical coordinates of the proposed earth station antenna(s),

(ii) Proposed operating frequency band(s) and emission(s),

(iii) Antenna center height above ground and ground elevation above mean sea level,

(iv) Antenna gain pattern(s) in the plane of the main beam,

(v) Longitude range of geostationary satellites at which antenna may be pointed,

(vi) Horizon elevation plot,

(vii) Antenna horizon gain plot(s) determined in accordance with § 25.253(b) for satellite longitude range specified in paragraph (c)(2)(v) of this section,

(viii) Minimum elevation angle,

(ix) Maximum effective isotropically radiated power (EIRP) in any 4 kHz band in the main beam, (dBW/4 kHz),

(x) Maximum available RF transmit power in any 1 MHz band and in any 4 kHz band at the input terminals of the antenna(s),

(xi) Maximum permissible RF interference power level as determined in accordance with § 25.252 for all applicable percentages of time, and

(xii) A plot of great circle coordination distance contour(s) and rain scatter coordination distance contour(s) as determined by §§ 25.253 and 25.254.

(3) The coordination procedure specified in § 21.100(d) of this chapter shall be applicable except that the information to be provided shall be that set forth in paragraph (c)(2) of this section, and that the 30-day period allowed for response to a request for coordination may be increased to a maximum of 45 days by mutual consent of the parties.

(4) Where technical problems are resolved by an agreement or operating arrangement between the parties that would require special procedures be taken to reduce the likelihood of harmful interference (such as the use of artificial site shielding) or would result in lessened quality or capacity of either system, the details thereof shall be contained in the application.

(5) In those instances where the calculations of expected interference indicate a safety margin of less than 5 dB, the applicant shall submit with the application to the Commission, certain additional information: The gains assumed for both the terrestrial and earth station antennas in the direction of the other station; the calculated transmission loss; and the resulting margin above the controlling objective. The Commission may, in the course of examining any application, require the submission of additional

showings, complete with pertinent data and calculations in accordance with §§ 25.251 through 25.256, showing that harmful interference will not likely result from the proposed operation.

(d) An applicant for an earth station authorization shall also ascertain whether the great circle coordination distance contours and rain scatter coordination distance contours, computed for those values of parameters indicated in table 1 of § 25.252 for international coordination, cross the boundaries of another administration. In this case, the applicant shall furnish the Commission copies of these contours on maps drawn to appropriate scale for use by the Commission in effecting coordination of the proposed earth station with the administration(s) affected.

(e) Each applicant shall also ascertain in advance whether the antenna beam of his proposed earth station intersects the beam of any terrestrial antenna located within the earth station's rain scatter coordination distance contour, below the altitude given in table 1, of § 25.254(b) for the rain climate in which the earth station is located. In general, such intersections will not be permitted. For the purposes of this paragraph, the beam of an antenna is to be taken as that portion of the antenna radiation pattern inside of which the gain is within 15 dB of the maximum antenna gain. The concepts of rain climate and rain scatter coordination distance contour are as defined in § 25.254. In certain cases, for good cause shown, intersections may be permitted on an individual waiver basis. In such cases the applicant shall also submit with his application a showing setting forth (1) the nature of the proposed beam intersection, (2) the terrestrial station operator or applicant with whom coordination was attempted and the results of the coordination and (3) the technical and/or operational basis on which it was concluded that harmful interference will not likely result from this beam intersection.

(f) Protection for Table Mountain Radio Receiving Zone, Boulder County, Colorado.

(1) Applicants for a station authorization to operate in the vicinity of Boulder County, Colorado under this part are advised to give due consideration, prior to filing applications, to the need to protect the Table Mountain Radio Receiving Zone from harmful interference. These are the research laboratories of the Department of Commerce, Boulder County, Colorado. To prevent degradation of the present ambient radio signal level at the site, the Department of Commerce seeks to ensure that the field strengths of any radiated signals (excluding reflected signals) received on this 1800 acre site (in the vicinity of coordinates 40° 07′ 50″N Latitude, 105° 14′ 40″W Longitude) resulting from new assignments (other than mobile stations) or from the modification or relocation of existing facilities do not exceed the following values:

Frequency range	In authorized bandwidth of service	
	Field strength (mV/m)	Power flux density[1] (dBW/m²)
Below 540 kHz	10	−65.8
540 to 1600 kHz	20	−59.8
1.6 to 470 MHz	10	[2]−65.8
470 to 890 MHz	30	[2]−56.2
Above 890 MHz	1	[2]−85.8

[1] Equivalent values of power flux density are calculated assuming free space characteristic impedance of 376.7=120π ohms.

[2] Space stations shall conform to the power flux density limits at the earth's surface specified in appropriate parts of the FCC rules, but in no case should exceed the above levels in any 4 kHz band for all angles of arrival.

(2) Advance consultation is recommended particularly for those applicants who have no reliable data which indicates whether the field strength or power flux density figures in the above table would be exceeded by their proposed radio facilities (except mobile stations). In such instances, the following is a suggested guide for determining whether coordination is recommended:

(i) All stations within 1.5 statute miles;

(ii) Stations within 3 statute miles with 50 watts or more effective radiated power (ERP) in the primary plane of polarization in the azimuthal direction of the Table Mountain Radio Receiving Zone;

(iii) Stations within 10 statute miles with 1 kW or more ERP in the primary plane of polarization in the azimuthal direction of Table Mountain Receiving Zone;

(iv) Stations within 50 statute miles with 25 kW or more ERP in the primary plane of polarization in the azimuthal direction of Table Mountain receiving Zone.

(3) Applicants concerned are urged to communicate with the Radio Frequency Management Coordinator, Department of Commerce, Research Support Services, NOAA R/E5X2, Boulder Laboratories, Boulder, CO 80303; telephone (303) 497-6548, in advance of filing their applications with the Commission.

(4) The Commission will not screen applications to determine whether advance consultation has taken place. However, applicants are advised that such consultation can avoid objections from the Department of Commerce or proceedings to modify any authorization which may be granted which, in fact, delivers a signal at the site in excess of the field strength specified herein.

(g) Notification to the National Radio Astronomy Observatory: In order to minimize possible harmful interference at the National Radio Astronomy Observatory site located at Green Bank, Pocahontas County, W. Va., and at the Naval Radio Research Observatory site at Sugar Grove, Pendleton County, W. Va. any applicant for a station authorization other than mobile, temporary base, temporary fixed, Personal Radio, Civil Air Patrol, or amateur seeking a station license for a new station, a construction permit to construct a new station or to modify an existing station license in a manner which would change either the frequency, power, antenna height or directivity, or location of such a station within the area bounded by 39°15′ N. on the north, 78°30′ W. on the east, 37°30′ N. on the south and 80°30′ W. on the west shall, at the time of filing such application with the Commission, simultaneously notify the Director, National Radio Astronomy Observatory, P.O. Box No. 2, Green Bank, W. Va. 24944, in writing, of the technical particulars of the proposed station. Such notification shall include the geographical coordinates of the antenna, antenna height, antenna directivity if any, proposed frequency, type of emission, and power. In addition, the applicant shall indicate in his application to the Commission the date notification was made to the observatory. After receipt of such applications, the Commission will allow a period of 20 days for comments or objections in response to the notifications indicated. If an objection to the proposed operation is received during the 20-day period from the National Radio Astronomy Observatory for itself or on behalf of the Naval Radio Research Observatory, the Commission will consider all aspects of the problem and take whatever action is deemed appropriate.

(h) Protection for Federal Communications Commission monitoring stations:

(1) Applicants in the vicinity of an FCC monitoring station for a radio station authorization to operate new transmitting facilities or changed transmitting facilities which would increase the field strength produced over the monitoring station over that previously authorized are advised to give consideration, prior to filing applications, to the possible need to protect the FCC stations from harmful interference. Geographical coordinates of the facilities which require protection are listed in § 0.121(c) of the Commission's Rules. Applications for stations (except mobile stations) which will produce on any frequency a direct wave fundamental field strength of *greater than 10 mV/m* in the authorized bandwidth of service (-65.8 dBW/m^2 power flux density assuming a free space characteristic impedance of 120 ohms) at the referenced coordinates, may be examined to determine extent of possible interference. Depending on the theoretical field strength value and existing root-sum-square or other ambient radio field signal levels at the indicated coordinates, a clause protecting the monitoring station may be added to the station authorization.

(2) In the event that calculated value of expected field exceeds 10 mV/m (-65.8 dBW/m^2) at the reference

coordinates, or if there is any question whether field strength levels might exceed the threshold value, advance consultation with the FCC to discuss any protection necessary should be considered. Prospective applicants may communicate with: Chief, Field Operations Bureau, Federal Communications Commission, Washington, DC 20554, Telephone (202) 632-6980.

(3) Advance consultation is suggested particularly for those applicants who have no reliable data which indicates whether the field strength or power flux density figure indicated would be exceeded by their proposed radio facilities (except mobile stations). In such instances, the following is a suggested guide for determining whether an applicant should coordinate:

(i) All stations within 2.4 kilometers (1.5 statute miles);

(ii) Stations within 4.8 kilometers (3 statute miles) with 50 watts or more average effective radiated power (ERP) in the primary plane of polarization in the azimuthal direction of the Monitoring Stations.

(iii) Stations within 16 kilometers (10 statute miles) with 1 kW or more average ERP in the primary plane of polarization in the azimuthal direction of the Monitoring Station;

(iv) Stations within 80 kilometers (50 statute miles) with 25 kW or more average ERP in the primary plane of polarization in the azimuthal direction of the Monitoring Station;

(4) Advance coordination for stations operating above 1000 MHz is recommended only where the proposed station is in the vicinity of a monitoring station designated as a satellite monitoring facility in § 0.121(c) of the Commission's Rules and also meets the criteria outlined in paragraphs (h)(2) and (3) of this section.

(5) The Commission will not screen applications to determine whether advance consultation has taken place. However, applicants are advised that such consultation can avoid objections from the Federal Communications Commission or modification of any authorization which will cause harmful interference.

[30 FR 7176, May 28, 1965, as amended at 36 FR 2562, Feb. 6, 1971; 38 FR 8573, Apr. 4, 1973; 42 FR 8329, Feb. 9, 1977; 44 FR 77167, Dec. 31, 1979; 50 FR 40862, Oct. 7, 1985]

§ 25.204 Power limits.

(a) In bands shared coequally with terrestrial radio communication services, the equivalent isotropically radiated power transmitted in any direction towards the horizon by an earth station operating in frequency bands between 1 and 15 GHz, shall not exceed the following limits except as provided for in paragraph (c) of this section:

+40 dBW in any 4 KHz band for $\theta \leq 0°$
+40+3 θ dBW in any 4 KHz band for $\theta < 0° \leq 05°$

where θ is the angle of elevation of the horizon viewed from the center of radiation of the antenna of the earth station and measured in degrees as positive above the horizontal plane and negative below it.

(b) In bands shared coequally with terrestrial radio-communication services, the equivalent isotropically radiated power transmitted in any direction towards the horizon by an earth station operating in frequency bands above 15 GHz shall not exceed the following limits except as provided for in paragraph (c) of this section:

+64 dBW in any 1 MHz band for $\theta < 0°$
+64+3 θ dBW in any 1 MHz band for $0° < \theta < 5°$

where θ is as defined in paragraph (a) of this section.

(c) For angles of elevation of the horizon greater than 5° there shall be no restriction as to the equivalent isotropically radiated power transmitted by an earth station towards the horizon.

[48 FR 40255, Sept. 6, 1983]

§ 25.205 Minimum angle of antenna elevation.

Earth station antennas shall not normally be authorized for transmission at angles less than 5° measured from the horizontal plane to the direction of maximum radiation. However, upon a showing that the transmission path will be seaward and away from land masses or upon special showing of need for lower angles by the applicant, the Commission will consider authorizing transmissions at angles between 3° and 5° in the pertinent directions. In certain instances, it may be necessary to specify minimum angles greater than 5° because of interference considerations.

[48 FR 40255, Sept. 6, 1983]

§ 25.206 Station identification.

The requirement for transmission of station identification is waived for all radio stations licensed under this part with the exception of satellite uplinks carrying broadband video information which are required to incorporate ATIS in accordance with the provisions set forth under § 25.308 of these rules.

[55 FR 21551, May 25, 1990]

EFFECTIVE DATE NOTE: At 55 FR 21551, May 25, 1990, § 25.206 was revised, effective March 1, 1991. For the convenience of the user, the superseded text is set forth as follows:

§ 25.206 Station identification.

The requirement for transmission of station identification is waived for all radio stations licensed under this part.

[48 FR 40255, Sept. 6, 1983]

§ 25.207 Cessation of emissions.

Space stations shall be made capable of ceasing radio emissions by the use of appropriate devices (battery life, timing devices, ground command, etc.) that will ensure definite cessation of emissions.

§ 25.208 Power flux density limits.

(a) In the band 3700-4200 MHz, the power flux density at the Earth's surface produced by emissions from a space station for all conditions and for all methods of modulation shall not exceed the following values:

-152 dB(W/m^2) in any 4 kHz band for angles of arrival between 0 and 5 degrees above the horizontal plane;

$-152+(\delta-5)/2$ dB(W/m^2) in any 4 kHz band for angles of arrival δ (in degrees) between 5 and 25 degrees above the horizontal plane; and

-142 dB(W/m^2) in any 4 kHz band for angles of arrival between 25 and 90 degrees above the horizontal plane

These limits relate to the power flux density which would be obtained under assumed free-space propagation conditions.

(b) In the bands 10.95-11.2 and 11.45-11.7 GHz, the power flux density at the Earth's surface produced by emissions from a space station for all conditions and for all methods of modulation shall not exceed the following values:

-150 dB(W/m^2) in any 4 kHz band for angles of arrival between 0 and 5 degrees above the horizontal plane;

$-150+(\delta-5)/2$ dB(W/m^2) in any 4 kHz band for angles of arrival δ (in degrees) between 5 and 25 degrees above the horizontal plane; and

-140 dB(W/m^2) in any 4 kHz band for angles of arrival between 25 and 90 degrees above the horizontal plane

These limits relate to the power flux density which would be obtained under assumed free-space propagation conditions.

(c) In the band 17.7—19.7 GHz, the power flux density at the Earth's surface produced by emissions from a space station for all conditions and for all methods of modulation shall not exceed the following values:

—115 dB(W/m^2) in any 2 MHz band for angles of arrival between 0 and 5 degrees above the horizontal plane;

—115 + $(\delta - 5)/2$ dB (W/m^2) in any 4 kHz band for angles of arrival δ (in degrees) between 5 and 25 degrees above the horizontal plane; and

—105 dB(W/m^2) in any 1 MHz for angles of arrival between 25 and 90 degrees above the horizontal plane.

These limits relate to the power flux density which would be obtained under assumed free-space propogation conditions.

[48 FR 40255, Sept. 6, 1983, as amended at 52 FR 45636, Dec. 1, 1987]

§ 25.209 Antenna performance standards.

(a) The gain of any antenna to be employed in transmission from an earth station in the fixed-satellite service shall lie below the envelope defined below:

(1) In the plane of the geostationary satellite orbit as it appears at the particular earth station location:

$29-25\log_{10}\Theta$ dBi	$1^\circ\le\Theta\le7^\circ$
$+8$ dBi	$7^\circ<\Theta\le9.2^\circ$
$32-25\log_{10}\Theta$ dBi	$9.2^\circ<\Theta\le48^\circ$
-10 dBi	$48^\circ<\Theta\le180^\circ$

where Θ is the angle in degrees from the axis of the main lobe, and dBi refers to dB relative to an isotropic radiator. For the purposes of this section, the peak gain of an individual sidelobe may not exceed the evelope defined above for Θ between 1° and 7°. For Θ greater than 7°, the envelope may be exceeded by 10% of the sidelobes, but no individual sidelobe may exceed the envelope by more than 3 dB.

(2) In all other directions:

Outside the main beam, the gain of the antenna shall lie below the envelope defined by:

$32-25\log_{10}(\theta)$ dBi $\qquad 1^\circ \leq \theta \leq 48^\circ$

-10 dBi $\qquad 48^\circ < \theta \leq 180^\circ$

where Θ is the angle in degrees from the axis of the main lobe, and dBi refers to dB relative to an isotropic radiator. For the purposes of this section, the peak gain of an individual sidelobe may be reduced by averaging its peak level with the peaks of the nearest sidelobes on either side, or with the peaks of two nearest sidelobes on either side, provided that the level of no individual sidelobe exceeds the gain envelope given above by more than 6 dB.

(b) The off-axis cross-polarization isolation of any antenna to be employed in transmission at frequencies between 5925 and 6425 MHz from an earth station to a space station in the domestic fixed-satellite service shall be defined by:

$19-25\log_{10}\theta$ dBi $\qquad 1.8^\circ < \theta \leq 7^\circ$

-2 dBi $\qquad 7^\circ < \theta \leq 9.2^\circ$

(c) Earth station antennas licensed for reception of radio transmissions from a space station in the fixed-satellite service are protected from radio interference caused by other space stations only to the degree to which harmful interference would not be expected to be caused to an earth station employing an antenna conforming to the referenced patterns defined in paragraphs (a) and (b) of this section, and protected from radio interference caused by terrestrial radio transmitters identified by the frequency coordination process only to the degree to which harmful interference would not be expected to be caused to an earth station conforming to the reference pattern defined in paragraph (a)(ii) of this section.

(d) The patterns specified in paragraphs (a) and (b) of this section shall apply to all new earth stations antennas initially authorized after February 15, 1985 and shall apply to all earth station antennas after January 1, 1987.

(e) The operations of any earth station with an antenna not conforming to the standards of paragraphs (a) and (b) of this section shall impose no limitations upon the operation, location or design of any terrestrial station, any other earth station, or any space station beyond those limitations that would be expected to be imposed by an earth station employing an antenna conforming to the reference patterns defined in paragraphs (a) and (b) of this section.

(f) An earth station with an antenna not conforming to the standards of paragraphs (a) and (b) of this section will be routinely authorized after February 15, 1985 upon a finding by the Commission that unacceptable levels of interference will not be caused under conditions of uniform 2° orbital spacings. An earth station antenna initially authorized on or before Feburary 15, 1985 will be authorized by the Commission to continue to operate as long as such operations are found not to cause any unacceptable levels of adjacent satellite interference. In either case, the Commission will impose appropriate terms and conditions in its authorization of such facilities and operations.

[48 FR 40255, Sept. 6, 1983, as amended at 50 FR 2675, Jan. 18, 1985; 50 FR 39004, Sept. 26, 1985]

§ 25.251 Special requirements for coordination.

(a) The administrative aspects of the coordination process are set forth in §§ 21.100(d) and 21.706 (c) and (d) of this chapter in the case of coordination of terrestrial stations with earth stations, and in § 25.203 in the case of coordination of earth stations with terrestrial stations. The technical aspects of the coordination process are set forth in §§ 25.252 through 25.256.

(b) The technical aspects of coordination are based on appendix 28 of the international radio regulations and certain recommendations and reports of the CCIR. Applicants and operators will find it helpful to be aware of the latest revision of these documents, in particular reports 244, 382, and 448.

(c) Although two types of interference paths have to be considered, i.e., from an earth station transmitter into terrestrial receivers, and from a terrestrial transmitter into earth station receivers, the use of different frequency bands for transmission and reception by the communication-satellite service limit the consideration to only one type of interference path in each frequency band, namely:

(1) In those shared frequency bands limited to transmission by an earth station, only the possibility of interference from earth station transmitters into terrestrial receivers needs to be considered;

(2) In those shared frequency bands limited to reception by an earth station, only the possibility of interference from terrestrial transmitters into the earth station receivers needs to be considered.

(d) For the purposes of effecting coordination between terrestrial and earth station in frequency bands shared with equal rights by these services, the following assumptions should be made, absent specific information:

(1) That the earth station antenna may be directed towards any point on that portion of the geostationary arc visible at the earth station location at which the corresponding elevation angle exceeds or is equal to the limits specified in § 25.205;

(2) That any terrestrial station and any earth station within 100 kilometers of each other must be coordinated whether or not a lesser coordination distance results from any calculation;

(3) That the terrestrial antenna meets an antenna pattern based on the maximum antenna gain from table 1 of § 25.252 and the sidelobe suppression standard B set forth in § 21.108(c) of this chapter;

(4) That for coordination, the earth station antenna sidelobe gain level is defined by the following formula:

$$\begin{array}{ll} 32-25\log_{10}\theta \text{ dBi} & 1^\circ \le \theta \le 48^\circ \\ -10 \text{ dBi} & 48^\circ < \theta \le 180^\circ \end{array}$$

where θ is the off-axis angle to the direction of the terrestrial station in question. If the actual antenna gain performance is better than that defined by this formula, the actual gain may be used to effect coordination.

(5) That both systems occupy all frequencies allocated to the particular service in the band to which they are assigned.

(e) The assumption of paragraph (d)(3) of this section, that the terrestrial station antenna only meets the sidelobe suppression standard B of § 21.108(c) of this chapter is to be made only for computational convenience and simplicity, and to insure that all terrestrial stations that could likely cause or receive interference are taken into account. If interference will likely result to or from a terrestrial station actually employing an antenna meeting only standard B, but would be eliminated if an antenna meeting standard A were to be employed, then the provisions of §§ 21.108(c) and 21.109(c) of this chapter apply.

(f) In lieu of the assumptions of paragraph (d)(1) and/or paragraph (d)(5) of this section, an applicant for an earth station authorization may effect coordination for a limited portion of the geostationary arc visible at the earth station location and/or a limited portion of the frequency band: *Provided, however,* That the operation of the earth station shall be limited to that portion of the geostationary arc and/or that portion of the frequency band for which coordination has been effected.

(g) The authorization of a developmental earth station under § 25.390 and the authorization of a transportable earth station for operation at a given location for a limited period of time shall be so conditioned that the operations of such an earth station shall not place any limitations upon the operations, location, or design of any terrestrial station. For this reason, the interference analyses performed in the coordination of these earth stations may be undertaken for specific frequency assignments and therefore may take advantage of any offset in frequency calculated in accordance with applicable CCIR Reports and

Recommendations (for example Report 388-1).

[38 FR 8575, Apr. 4, 1973, as amended at 48 FR 40256, Sept. 6, 1983]

§ 25.252 Maximum permissible interference power.

(a) The maximum permissible interference power $P_{max}(p)$ in dBW in the reference bandwidth of the potentially interfered-with station, not to be exceeded for all but a short term percentage of the time, p, from each source of interference, is given by the general formula

$$P_{max}(p)=10\log_{10}(kT_rB)+J+M(p)-W$$

where:

$$M(p)=M(p_o/n)=M_s(p)$$

with:

k=Boltzmann's constant ($1.38 \cdot 10^{-23}$ joules per °K),

T_r=Thermal noise temperature of the receiving system (degrees Kelvin),

B=Reference bandwidth (in Hz) (bandwidth over which the interference power can be averaged),

J=Ratio (in dB) of the maximum permissible long-term interfering power to the long-term thermal noise power in the receiving system (where long-term refers to 20 percent of the time),[1]

n=Number of expected entries of interference, assumed to be uncorrelated,

p=Percentage of the time during which the interference from one source may exceed the allowable maximum value,

p_o=Percentage of the time during which the interference from all sources may exceed the allowable maximum value; since the entries of interference are not likely to occur simultaneously:

$$p_o=np,$$

$M(p)$=Ratio (in dB) between the maximum permissible interference power during p percent of the time for one entry of interference, and during 20 percent of the time for all entries of interference, respectively,

$M_s(p_o)$=Ratio (in dB) between the maximum permissible interference power during p_o percent and 20 percent of the time respectively, for all entries of interference,[2]

W=Equivalence factor (in dB) relating the effect of interference to that of thermal noise of equal power in the reference bandwidth.[3]

When the wanted signal uses FM modulation with rms modulation indices which are greater than unity, W is approximately 4 dB, regardless of the characteristics of the interfering signal. For low index terrestrial FDM/FM systems a very small reference bandwidth (4 kHz) should be assumed in order to avoid the necessity of dealing with a large range of characteristics of both wanted and unwanted signals upon which, for greater reference bandwidths, the value of *W* would depend. With this assumption, $W = 0$ dB as shown in table 1, of this section. When the wanted signal is digital, *W* is usually equal to or less than 0 dB, regardless of the characteristics of the interfering signal.

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[1] The factor J (in dB) is defined as the ratio of total permissible long-term (20 percent of the time) interference power in the system, to the long-term thermal noise power in a single receiver. For example, in a 50-hop terrestrial hypothetical reference circuit, the total allowable additive interference power is 1,000 pWOp (C.C.I.R. Recommendation 357-1) and the mean thermal noise power in a single hop may be assumed to be 25 *pWOp*. Therefore, since in a FDM/FM system the ratio of the interference noise power to the thermal noise power in a 4kHz band is the same before and after demodulation. J=16 dB. In a fixed-service satellite system, the total allowable interference power is also 1,000 pWOp (C.C.I.R. Recommendation 356-2), but the thermal noise contribution of the down path is not likely to exceed 7,000 pWOp, hence $J>8.5$ dB. In digital systems it may be necessary to protect each communication path individually, and in that case, long-term interference power may be of the same order of magnitude as long-term thermal noise, hence $J=0$ dB.

[2] $M_s(p_o)$ (in dB) is the "interference margin" between the long-term (20 percent) and the short term (p_o percent) allowable interference powers. For analogue radio-relay and fixed-satellite systems in bands between 1 and 15 GHz, this is the ratio (in dB) between 50,000 and 1,000 pWOp (17 dB). In the case of digital systems, $M_s(p_o)$ may tentatively be set equal to the fading margin for a percentage of the time ($1-p_o$) percent, which depends, inter alia, on the local rain climate.

[3] The factor W (in dB) is the ratio of RF thermal noise power to RF interference power, in the reference bandwith, producting the same interference effect after demodulation (e.g. in a FDM/FM system it would be expressed for equal voice channel performance; in a digital system it would be expressed for equal bit error probabilities). For FM signals, it is defined as follows:

W=10 $\log_{10}$ [(Interfering power in the receiving system after demodulation/Thermal noise power in receiving system after demodulation) × (Thermal noise power at the receiver input in the reference bandwidth/Interfering power at radio frequency in the reference bandwidth)]

(b) For purposes of performing interference analyses, the maximum permissible interference power $P_{max}(20\%)$ in dBW in the reference bandwidth of the potentially interfered-with station, not to be exceeded for all but 20 percent of the time from each source of interference, is given by the general formula and with the remaining parameters defined in paragraph (a) of this section.

$$P_{max}(20\ \text{percent}) = 10 \log_{10}(n_{a})(kT_rB) + J - W - 10$$

where

n_{a} = number of assumed simultaneous interference entries of equal power level,

(c) The values of the parameters contained in the appropriate column of table 1 of this section which enter into the formulas of paragraphs (a) and (b) of this section shall be used to compute the maximum permissible interference power level in all cases, unless the applicant demonstrates to the Commission that a different set of values for these parameters is more appropriate for his particular case. Where a symbol appears in table 1 of this section, the actual value of the parameter represented by the symbol is to be used.

Section 25.252 Table 1. Parameters to be used in the calculation of the maximum permissible interference power level and minimum permissible basic transmission loss

Frequency band (MHz)	3,700–4,200	5,925–6,425	6,625–7,125	10,950–11,200	11,450–12,200	12,500–12,750	14,000–14,500
Interference path	T→E	E→T	T→E	T→E	T→E	E→T	E→T
p_o (percent)	0.03	0.01	0.03	0.03	0.03	0.01	0.01
n	3	[1] 2 [2] 4	3	2	2	[1] 2 [2] 4	[1] 2 [2] 4
n_a	3	[1] 2	3	2	2	[1] 2	[1] 2
Interference parameters and criteria		[2] 4				[2] 4	[2] 5
p (percent)	0.01	[1] 0.005 [2] 0.0025	0.01	0.015	0.015	[1] 0.005 [2] 0.0025	[1] 0.004 [2] 0.0025
J(dB)	8.5	16.0	8.5	8.5	8.5	16.0	16.0
$M_s(p_o)$	17.0	17.0	17.0	17.0	17.0	17.0	17.0
W(dB)	4.0	0.0	4.0	4.0	4.0	0.0	0.0

NOTE 1: This value should be used for international systems.
NOTE 2: This value should be used for domestic systems.
E = Earth Station.
T = Terrestrial Station.

Frequency band	3,700–4,200	5,925–6,425	6,625–7,125	10,950–11,200	11,450–12,200	12,500–12,750	14,000–14,500
Interference path	T→E	E→T	T→E	T→E	T→E	E→T	E→T
Reference bandwidth, B (Hz)	$^{6}10$	$^{3}4\times 10$	$^{6}10$	$^{6}10$	$^{6}10$	$^{3}4\times 10$	$^{3}4\times 10$
System noise temperature, T_r (°K) T_r	T_r	750	T_r	T_r	T_r	1,500	1,500
P_t (dBW)	13	*PE*	9	5	5	*PE*	PE
G_t[3] (dBi)	42	$GE(\alpha)$	46	50	50	$GE(\alpha)$	$GE(\alpha)$
G_r[3] (dBi)	$GE(\alpha)$	45.0	$GE(\alpha)$	$GE(\alpha)$	$GE(\alpha)$	50.0	50.0
$P_{max}(p)$(dBW)	10 log₁₀ (T_r)	−131	10 log₁₀ (T_r)	10 log₁₀ (T_r)	10 log₁₀ (T_r) − 164	−128	−128
L_e (dB)	0	L_e[4]	0	0	0	L_e[4]	L_e[4]
S (dBW)		173				175	175
E (dBW)	55		55	55	55		

NOTE 3 = $GE(\alpha)$ is the gain of the earth station antenna toward the horizon at the azimuth of interest α, and can be derived using the methods of § 25.253 (b).

NOTE 4 = For interference analysis, actual line loss should be used, if known, if not known, assume 0 dB.

(d) In cases where an earth station or a terrestrial station may employ more than one type of emission, the parameters chosen for analysis should correspond to that pair of emissions which results in the greatest coordination distance.

[38 FR 8575, Apr. 4, 1973, as amended at 39 FR 33527, Sept. 18, 1974]

§ 25.253 Determination of coordination distance for near great circle propagation mechanisms.

(a) The requirement that the interference power at the input to the receiver of the potentially interfered-with station be less than the maximum permissible interference power level $P_{max}(p)$ for all but p percent of the time (as determined in § 25.252), is equivalent to the requirement that a minimum permissible basic transmission loss between the two stations be exceeded for all but p percent of the time. For uniformity and convenience, this minimum permissible basic transmission loss is determined for each azimuth for $p=0.01$ percent of the time, at a frequency of 4 GHz. This value is termed the normalized basic transmission loss L_o (0.01), and can be calculated from the formula:

$$L_o(0.01)=P_t+G_t+G_r-P_{max}(p)-F(p)-20\log_{10}(f/4)-L_w$$

where:

P_t=maximum available transmitting power (in dBW) in the reference bandwidth B, at the input to the antenna of the potentially interfering station. The representative value contained in the appropriate column of table 1 of § 25.252 should be used;

G_t=gain (in dB relative to an isotropic radiator) of the transmitting antenna of the potentially interfering station;

G_r=gain (in dB relative to an isotropic radiator) of the receiving antenna of the potentially interfered-with station;

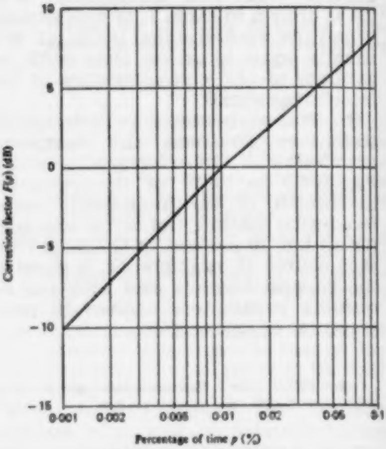
$P_{max}(p)$=maximum permissible interference power (in dBW) in the reference bandwidth B of the potentially interfered-with station not to be exceeded for all but p percent of the time as determined from § 25.252;

$F(p)$=correction factor (in dB) to relate the effective percentage of the time p to 0.01 percent of the time, for great circle propagation mechanisms, as determined from figure 1 of this section;

f=frequency (in GHz);

L_w=receiving system transmission line loss (in dB); none to be assumed in calculation of coordination distance;

Correction Factor $F(p)$ for Percentages of the Time p Other Than 0.01%



FCC § 25.253, Figure 1.

The following considerations apply to the selection of values for the parameters in this formula:

(1) The maximum gain of terrestrial antenna, either G_t or G_r, is tc be used in the formula above. The representative value contained in the appropriate column of table 1 of § 25.252 should be used.

(2) For an earth station communicating with geostationary satellites, the gain of the earth station antenna, either G_r or G_t, is generally taken as the gain in the direction toward the physical horizon at the azimuth under consideration, except that in certain cases, as described in paragraph (f) of this section, where the elevation angle of the earth station antenna is below 12°, the main beam gain is used instead of the horizon gain. In the case of an earth station communicating with nongeostationary satellites, an equivalent time invariant gain should be used. This time invariant gain is taken as the greater of the maximum horizon gain minus 10 dB and the horizon gain not exceeded for more than 10 percent of the time.

(3) In those frequency bands where the potential for interference is from an earth station transmitter into a terrestrial receiver, a sensitivity factor S in dBW may be defined in terms of the terrestrial antenna gain G_m in dBi and the maximum permissible interference power P_{max} (p) in dBW at the terrestrial receiver by

$$S = G_m - P_{max}(p) - L_w$$

With this definition, the formula for the normalized basic transmission loss may be rewritten as

$$L_b(0.01) = P_t + G_t + S - F(p) - 20 \log_{10}(f/4)$$

in terms of the parameters defined above. In this way, auxiliary contours, generated for sensitivity factor values of 5, 10, 15, 20 dB, etc. below the value corresponding to the main contour, may be convenient in performing preliminary interference analyses.

(4) In those frequency bands where the potential for interference is from a terrestrial transmitter into an earth station receiver, an equivalent isotropically radiated power E in dBW may be defined in terms of the terrestrial transmitter power P_m in dBW and the terrestrial antenna gain G_m in dBi by

$$E = P_m + G_m$$

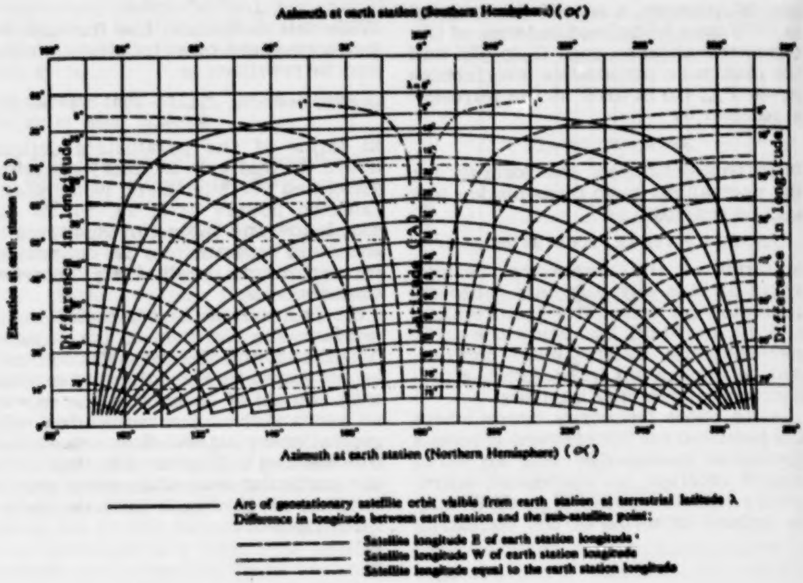
With this definition, the formula for the normalized basic transmission loss may be rewritten as

$$L_b(0.01) = E + G_r - P_{max}(p) - F(p) - 20 \log_{10} (f/4) - L_w$$

in terms of the parameters defined above. In this way, auxiliary contours, generated for equivalent isotropically radiated powers of 5, 10, 15, 20 dB, etc., below the value corresponding to the main contour, may be convenient in performing preliminary interference analyses.

(b) The gain of the earth station antenna in the direction of the physical horizon around the earth station may be computed by the following method with the aid of figure 2 in the case of an earth station communicating with geostationary satellites. An example of this method is illustrated in figure 3 in the particular case of an earth station location at 45° north latitude for an azimuth of 210°

POSITION ARCS OF GEOSTATIONARY SATELLITES

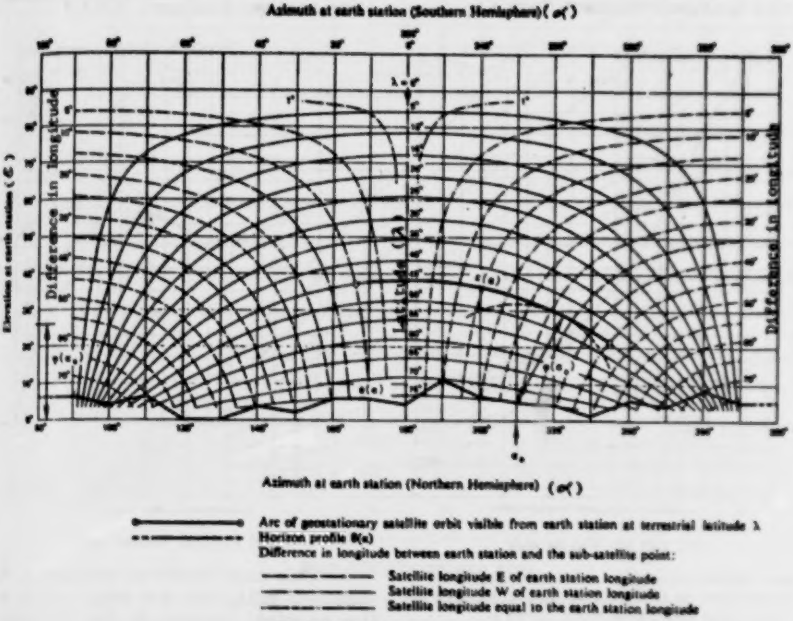


FCC § 25.253, FIGURE 2.

(1) Figure 2 shows the permissible location arcs of geostationary satellites in a rectangular azimuth-elevation plot (α, ϵ_s), each arc corresponding to a particular earth station latitude, λ. For the latitude of the given earth station, that portion of the geostationary arc visible at the earth station for which coordination is to be effected is marked off between the appropriate limits. The example of figure 3 shows that portion of the arc of the geostationary orbit visible from an earth station at a latitude of 45° N. for the case of satellites located between 10° E. and 45° W. of the earth station.

(2) The horizon profile θ (α) as a function of the azimuth α is then plotted along the bottom of figure 2 as illustrated in the example of figure 3.

EXAMPLE OF DERIVATION OF $\phi(\alpha_0)$



FCC § 25.253, FIGURE 3.

(3) At each azimuth interval (e.g. for each 5° of azimuth), the minimum angular distance $\phi(a_0)$ (between the physical horizon at azimuth a_0 and the plotted portion of the geostationary arc) is determined graphically, as illustrated in figure 3, using the elevation scale at the far left of the figure.

(4) The earth station gain toward the horizon at azimuth a_0 may now be determined by evaluating either the actual earth station antenna pattern, if known, or the reference antenna pattern, if known, or the reference antenna pattern of § 25.209 at the minimum angular distance $\phi(a_0)$.

(c) The dependence of basic transmission loss on climate is reflected in the definition of three radio-climatic zones:

Zone A: Land;

Zone B: Sea at latitudes greater than 23.5° N. and 23.5° S.;

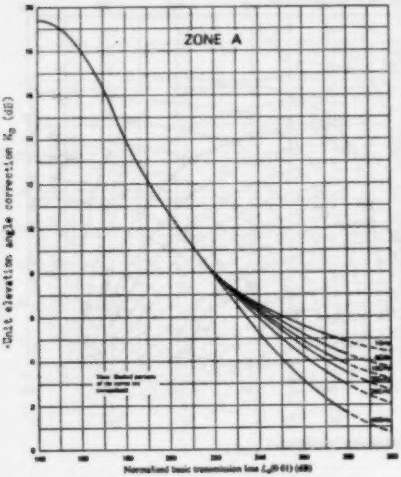
Zone C: Sea, at latitudes between 23.5° N. and 23.5° S., inclusive.

In addition, zones B and C are taken to extend inland, either to the distance at which the height of the terrain is 100 m above sea level, or 50 km inland, whichever is less.

(d) The coordination distance due to near great circle propagation mechanisms in a particular direction is calculated from the normalized basic transmission loss L_o (0.01) computed from the formula of paragraph (a) of this section in the following manner:

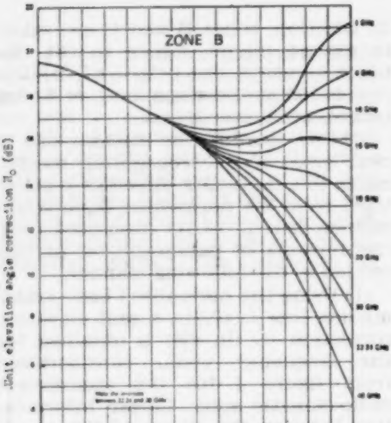
(1) Using the normalized basic transmission loss L_o (0.01), a unit elevation correction H_o (in dB) is obtained for the frequency under consideration from figure 4 for the appropriate radio-climatic zone. Linear interpolation between the curves of figure 4 is used for frequencies not shown.

Unit Elevation Angle Correction as a Function of Normalized Basic Transmission Loss and Frequency, Zone A



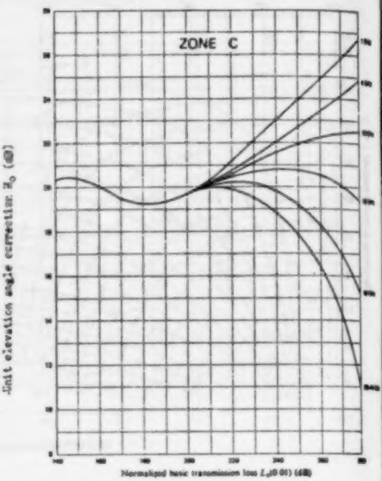
FCC § 25.253, Figure 4(a).

Unit Elevation Angle Correction as a Function of Normalized Basic Transmission Loss and Frequency, Zone B



FCC § 25.253, Figure 4(b).

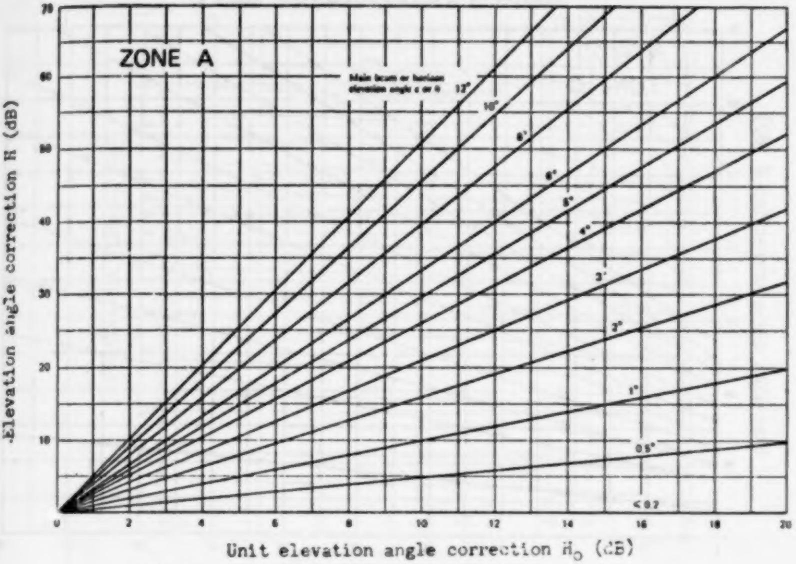
Unit Elevation Angle Correction as a Function of Normalized Basic Transmission Loss and Frequency, Zone C



FCC § 25.253, Figure 4(c)

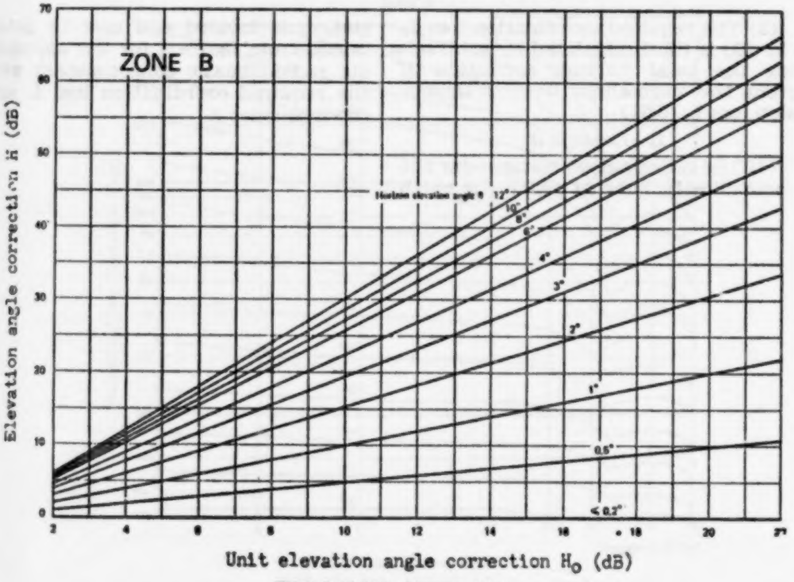
(2) This unit elevation correction H_0 together with the elevation angle of the physical horizon in the direction of azimuth under consideration is then used with figure 5 for the appropriate radio-climatic zone to obtain the total horizon correction *H* (in dB). If the horizon elevation is less than 0.2°, the value of 0 dB is used for *H*.

ELEVATION ANGLE CORRECTION, ZONE A



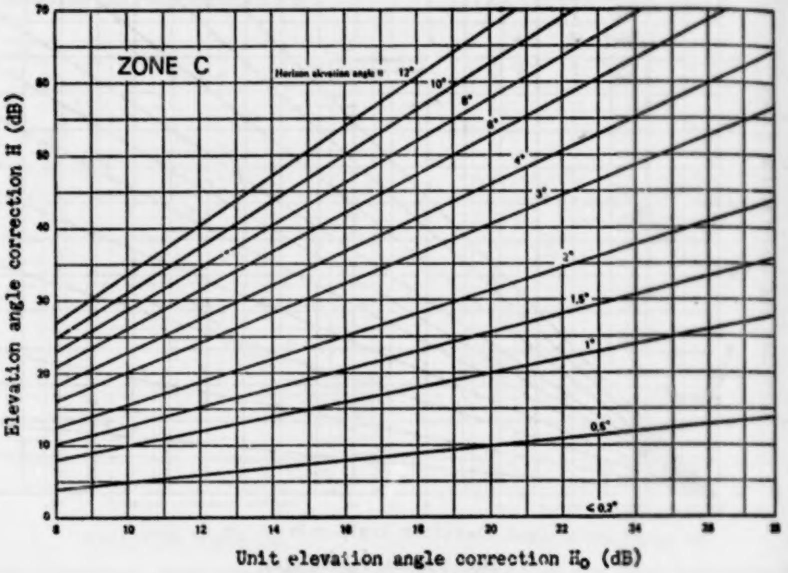
FCC § 25.253, FIGURE 5(a).

ELEVATION ANGLE CORRECTION, ZONE B



FCC § 25.253, FIGURE 5(b).

ELEVATION ANGLE CORRECTION, ZONE C



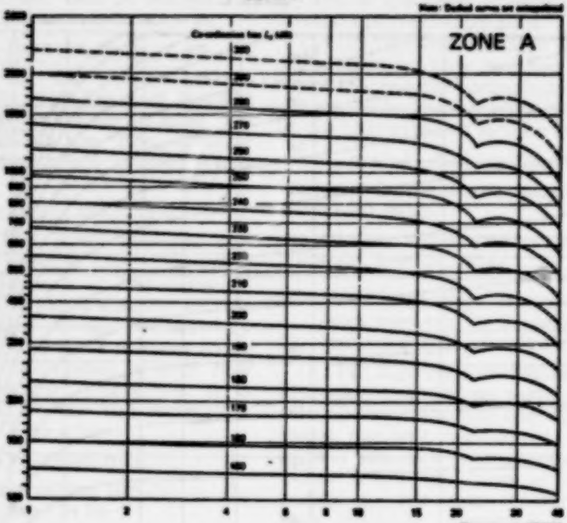
FCC § 25.253, FIGURE 5(c).

(3) The required coordination loss L_r (in dB) is then calculated by subtracting the total horizon correction H from the normalized basic transmission loss L_n (0.01)

$$L_r = L_n(0.01) - H$$

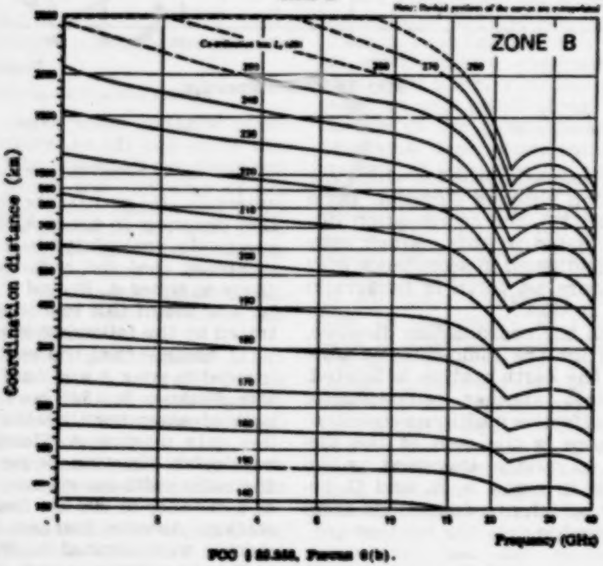
(4) The coordination distance for the radio-climatic zone in which the earth station is located can now be determined from figure 6 for the appropriate radio-climatic zone together with the required coordination loss L_r and the frequency f.

COORDINATION DISTANCE AS A FUNCTION OF FREQUENCY AND COORDINATION LOSS, ZONE A



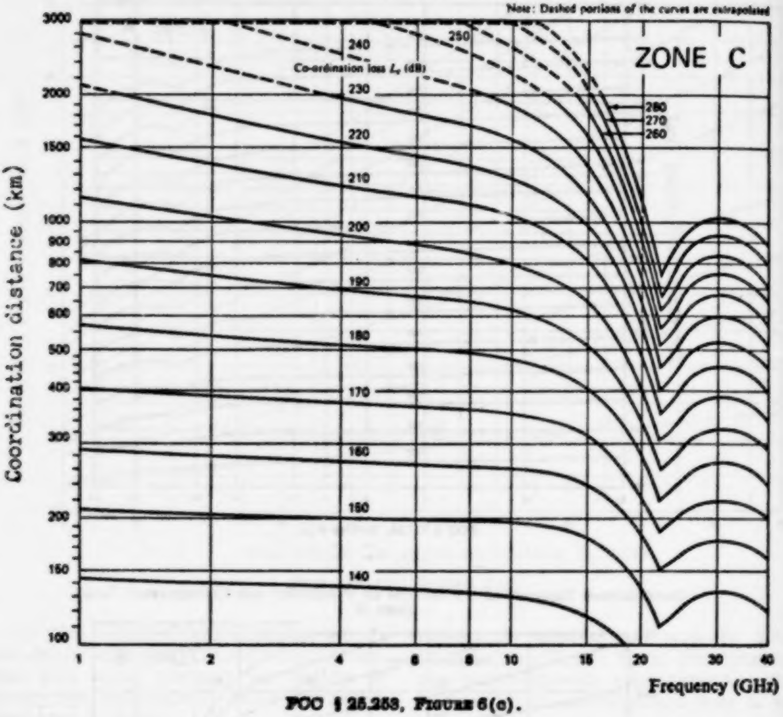
FCC § 25.253, FIGURE 6(a).

COORDINATION DISTANCE AS A FUNCTION OF FREQUENCY AND COORDINATION LOSS, ZONE B



FCC § 25.253, FIGURE 6(b).

COORDINATION DISTANCE AS A FUNCTION OF FREQUENCY AND COORDINATION LOSS, ZONE C



FCC § 25.253, FIGURE 6(c).

(5) For those azimuths for which the earth station antenna elevation angle is less than 12°, the coordination distance calculated in this manner may have to be adjusted in accordance with the procedure set forth in paragraph (f) of this section.

(e) When the coordination distance, calculated for the radio-climatic zone in which the earth station is located, extends into another radio-climatic zone, the effective multizone coordination distance is the sum of the distances x_A, x_B, and x_C traversed by the radio path in zones A, B, and C, respectively, which are determined from the relationship

$$(x_A/D_A)+(x_B/D_B)+(x_C/D_C)=1$$

where D_A, D_B, and D_C are the coordination distances in zones A, B, and C, respectively, calculated under the assumption that the radio path lies entirely in zones A, B, and C, respectively. The use of this relationship is illustrated by the following examples.

(1) Assume that the earth station is located in zone A and that a coordination distance $D_A=345$ km has been calculated assuming that the radio path lies only in zone A. However, in the particular direction being considered, the radio path crosses over into zone B at a distance of 290 km from the earth station. Assume further, that if the station were located in zone B, a coordination distance of $D_B=530$ km

would be required. Setting $x_C=0$, the relationship above can be solved for the unknown distance x_B in zone B:

$$x_B=D_B\,[1-(x_A/D_A)]$$

By substituting the known values $x_A=290$ km, $D_A=345$ km and $D_B=530$ km, the required distance in zone *B* is found to be $x_B=85$ km. The effective coordination distance d_e is then found to be

$$d_e=x_A+x_B=290+85=375 \text{ km.}$$

(2) Taking this same example one step further, assume that the radio path reenters zone *A* at a distance of 340 km from the earth station. In this case, the distance initially traversed by the radio path in zone *A* is know to be $x_A'=290$ km, and distance in zone *B* is $x_B=340-x_A'=50$ km. Therefore, it is necessary to solve for the remaining distance x_A'' in zone *A* by

$$x_A''=D_A[1-(x_B/D_B)]-x_A'.$$

Substituting the values for D_A, x_B, D_B, and x_A', x_A'' is found to be

$$x_A''=345[1-(50/530)]-290=21 \text{ km}$$

so that the total lengths of the two segments of the radio path lying in zone A is

$$x_A=x_A'+x_A''=290+21=311 \text{ km}$$

and the effective coordination distance is

$$d_e=x_A+x_B=311+50=361 \text{ km.}$$

(f) The coordination distance calculated in paragraphs (d) and (e) of this section may be too small for those azimuths at which the elevation of the antenna of an earth station communicating with a geostationary satellite is below 12°. In these cases the following procedure is to be used to determine whether the regular coordination distance contour for each of these azimuths should be increased:

(1) A coordination distance *d'* is calculated for such an azimuth in the same manner as for the regular coordination distance d_o from paragraph (d) of this section, except that:

(i) The main beam gain of the earth station antenna is used instead of the horizon gain,

(ii) The earth station antenna elevation angle for this azimuth is used instead of the horizon elevation angle,

(iii) The zone A curves of figures 4, 5, and 6 are used irrespective of the actual radio-climatic zone.

(2) If the coordination distance *d'* calculated in this manner is greater than the regular coordination distance d_o, the effective coordination distance d_e for this azimuth is then taken as

$$d_e=d_o+[(d'-d_o)(12\text{-}S)/7]\text{km } 5^\circ\ 4S412^\circ$$

where Σ is the earth station antenna elevation angle.

[38 FR 8577, Apr. 4, 1973, as amended at 39 FR 33527, Sept. 18, 1974]

§ 25.254 Computation of coordination distance contours for propagation modes associated with precipitation scatter.

(a) For a given pointing azimuth and elevation angle of an earth station antenna, a rain scatter coordination distance contour, calculated in accordance with the procedure set forth below takes the form of a circle of radius d_{cr}, the rain scatter coordination distance, centered at a point offset from the earth station location by a distance D_r in the direction of azimuth of the main beam of the earth station antenna. This offset distance D_r is a function of both the rain scatter distance d_{cr} and the earth station antenna elevation angle. In the case of an earth station designed for operation with communication-satellites located at any point along a specified portion of the geostationary arc, this functional dependence entails the generation of rain scatter coordination distance contours for each azimuth direction in which the earth station antenna may point. The effective rain scatter coordination distance contour is then taken as the envelope defined by all these individual contours. It may be convenient to eliminate the need to consider multiple contours by taking an effective rain scatter coordination distance contour as a circle centered at the earth station location with a radius equal to the sum of the rain scatter distance d_{cr} and the maximum offset distance D_r at the minimum elevation angle. Such a procedure is conservative, since the resulting contour will always be larger than necessary, but for earth stations having minimum elevation angles above 20°, the increase in area inside the contour will be small.

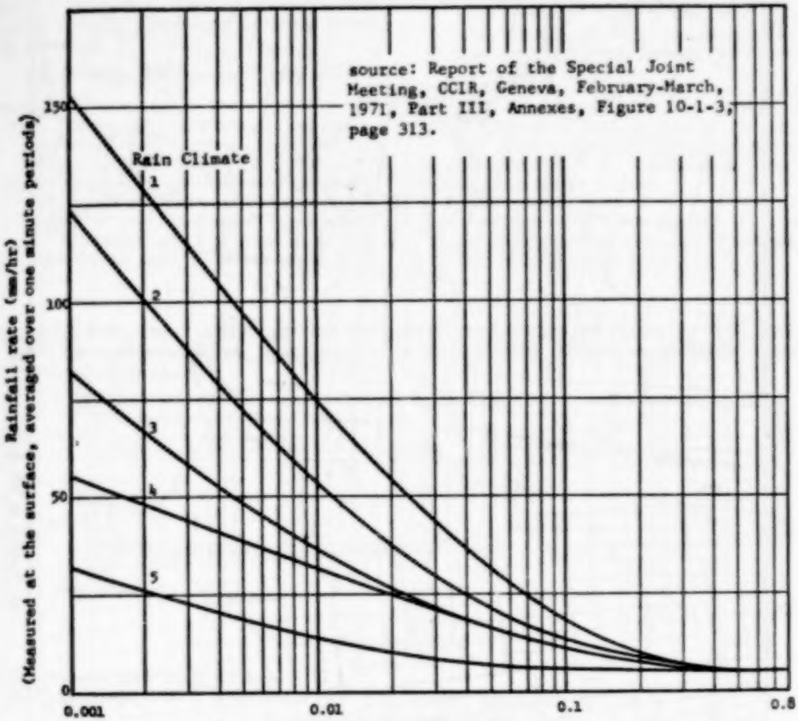
(b) For the purposes of computing rain scatter coordination distance contours and to establish maximum scattering heights, below which main-beam intersections will not generally be permitted, the 48 contiguous United States have been divided into five rain climates. These rain climates are listed in table 1 of this paragraph. The five climates are distinguished by the statistical distribution of their instantaneous rainfall rates throughout the year. These defining distributions, taken from the CCIR literature, are shown graphically in figure 1 of this paragraph. In the absence of specific information on the rainfall statistics at a proposed station location, the map shown in figure 2 of this paragraph may be used. This map shows boundaries approximating the actual rain climates. (This map also takes into account the effect of scatter from hail by moving the boundary of rain climate 2 farther west in Colorado and several nearby States than would be dictated considering rain only.) In the case of Alaska, Hawaii and in the offshore U.S. possessions and territories, applicants should select the most appropriate rain climate based on rainfall statistics, pending the adoption of rules setting forth maps and/or other information for these areas.

TABLE 1

Rain climate	Description	Maximum scattering height (km)
1	Maritime sub-tropical	15
2	Continental temperate	11
3	Maritime temperate	7
4	Mediterranean	7
5	Mid-latitude interior	7

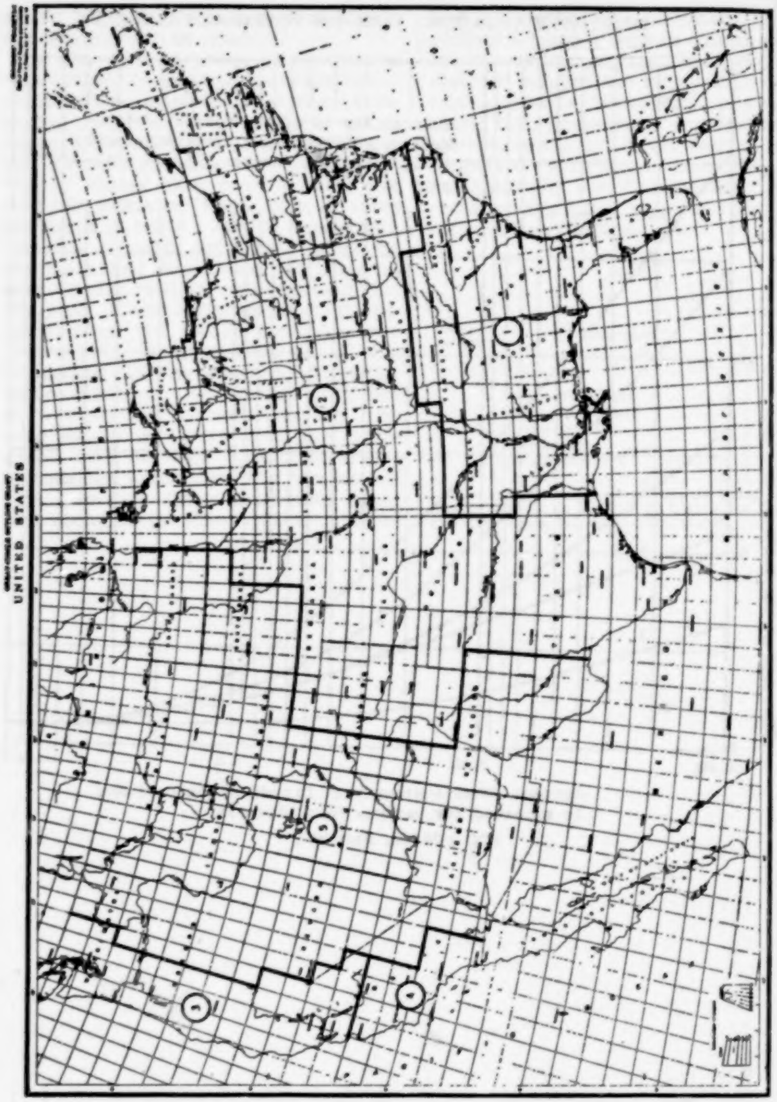
NOTE: Maximum heights shown here are based on values given in Table 8.2-III, Report of the Special Joint Meeting of the CCIR, Geneva, Feb.–March 1971, page 99.

DISTRIBUTION OF RAINFALL RATES FOR SEVERAL RAIN CLIMATES



Percent of an average year for which the ordinate is exceeded for various Rain Climates

FCC § 25.254, Figure 1.


UNITED STATES
1
2

RAIN CLIMATES OF THE UNITED STATES

FCC § 25.254 Figure 2

(c) To determine the rain scatter coordination distance d_{r}, it is first necessary to calculate the normalized rain scatter coordination loss L_r (0.01) from the formula

$$L_r(0.01) = P_t + D_G - P_{max}(p) - F_r(p,f) - L_w$$

where:

P_t = power (in dBW) available at the antenna input of the interfering earth station from table 1 of § 25.252;

D_G = difference (in dB) between the maximum gain of the terrestrial station antenna in the frequency band under consideration and the value of 45 dBi. This value may be determined from the appropriate column of table 1 of § 25.252;

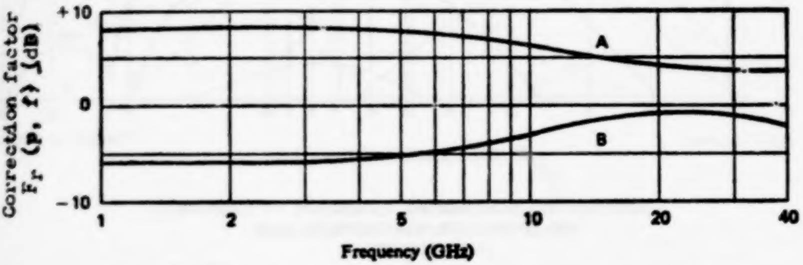
$P_{max}(p)$ = maximum permissible interference power (in dBW) to the interfered-with station not to be exceeded for all but the short-term percentage of the time p from § 25.252;

$F_r(p,f)$ = correction factor (in dB) to relate the effective short-term percentage of the time p to 0.01 percent of the time, for precipitation scatter propagation mechanisms, as determined from figure 3 of this section;

f = frequency (in GHz);

L_w = receiving system transmission line loss (in dB); assumed to be zero in calculation of rain scatter contour.

CORRECTION FACTOR TO RELATE THE EFFECTIVE PERCENTAGE OF TIME TO 0.01 PERCENT, AS A FUNCTION OF FREQUENCY FOR PROPAGATION MODES ASSOCIATED WITH PRECIPITATION SCATTER

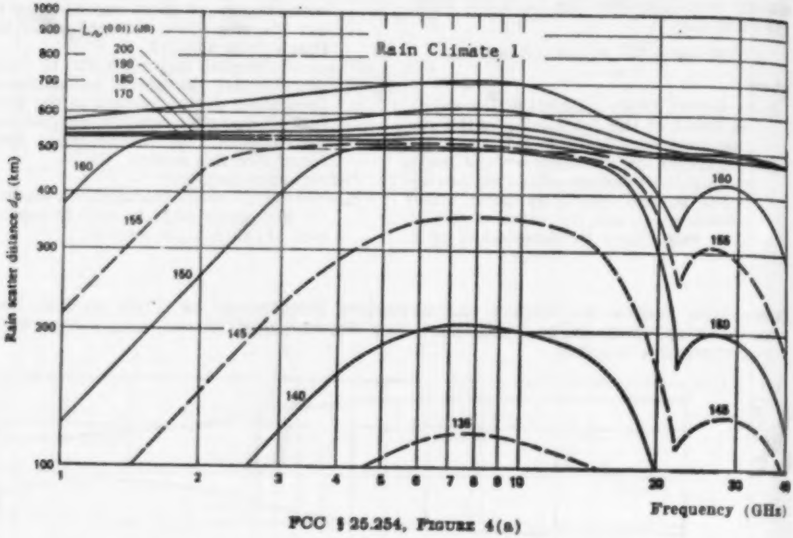


A: Correction for 0·1% of the time }
B: Correction for 0·001% of the time } for all rain climate zones

FCC § 25.254, FIGURE 3.

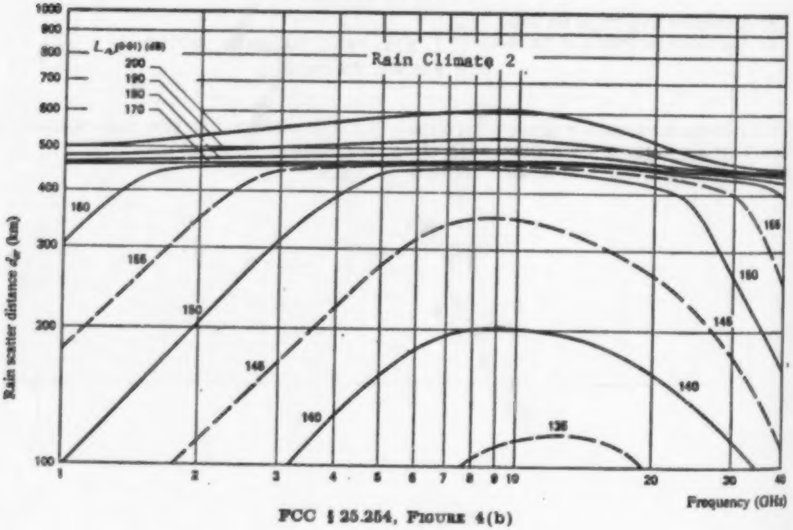
This normalized rain scatter coordination loss L_r (0.01) is then used with the appropriate figure 4 and the frequency f to determine the rain scatter coordination distance d_{r}.

RAIN SCATTER DISTANCE AS A FUNCTION OF FREQUENCY
AND NORMALIZED TRANSMISSION LOSS
RAIN CLIMATE 1



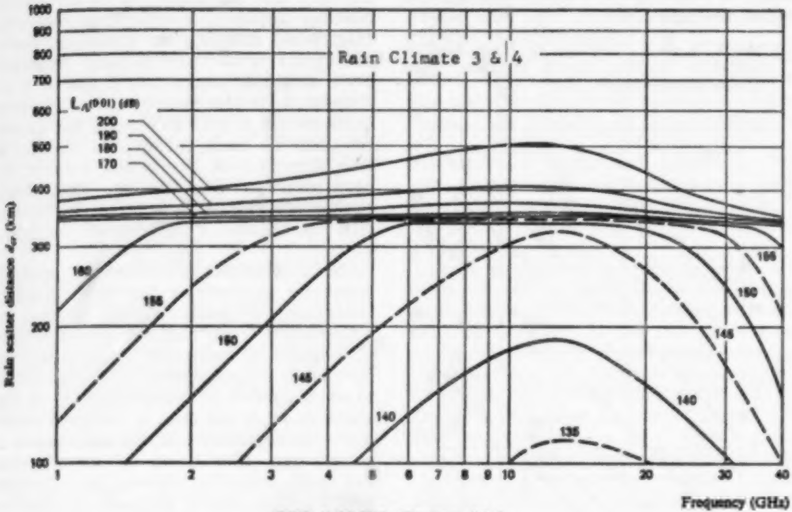
FCC § 25.254, FIGURE 4(a)

RAIN SCATTER DISTANCE AS A FUNCTION OF FREQUENCY
AND NORMALIZED TRANSMISSION LOSS
RAIN CLIMATE 2



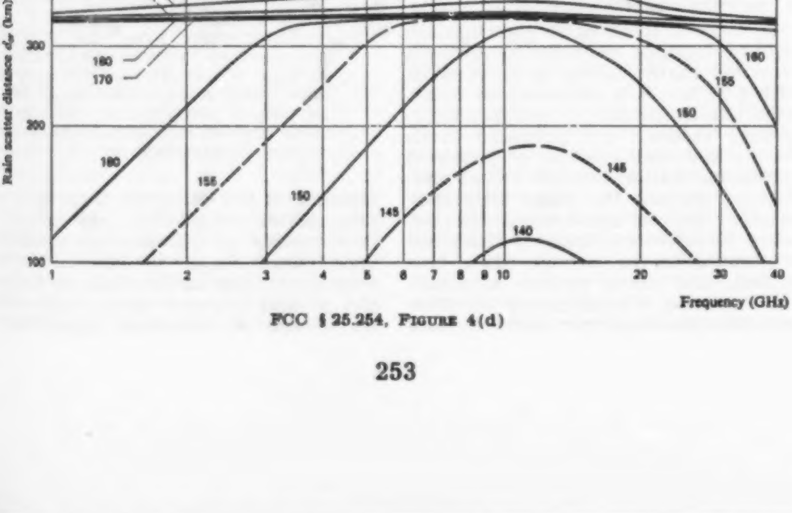
FCC § 25.254, FIGURE 4(b)

RAIN SCATTER DISTANCE AS A FUNCTION OF FREQUENCY
AND NORMALIZED TRANSMISSION LOSS
RAIN CLIMATE 3 & 4



FCC § 25.254, FIGURE 4(c)

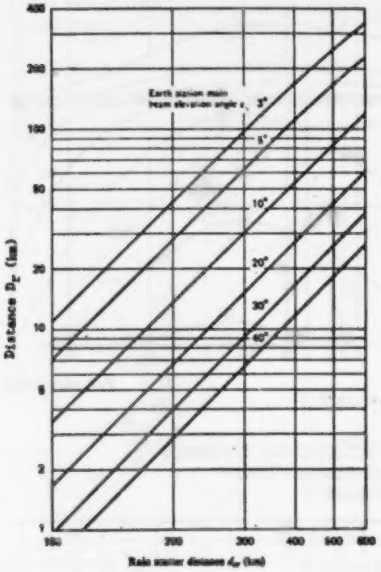
RAIN SCATTER DISTANCE AS A FUNCTION OF FREQUENCY
AND NORMALIZED TRANSMISSION LOSS
RAIN CLIMATE 5



FCC § 25.254, FIGURE 4(d)

(d) The rain scatter coordination distance d_{cr} is then used together with the earth station antenna elevation angle Σ with figure 5 to determine the offset distance D_r.

DISTANCE D_r as a Function of Rain Scatter Distance d_{cr} and Earth Station Main Beam Elevation Angle Σ



FCC § 25.254, FIGURE 5

[38 FR 8578, Apr. 4, 1973]

§ 25.255 Guidelines for performing interference analyses for near great circle propagation mechanisms.

(a) Once a great circle coordination distance contour has been computed a proposed earth station in accordance with § 25.253, it is necessary to determine the likelihood of harmful interference between the proposed earth station and each existing or proposed terrestrial station located within that contour sharing the same frequency band(s). Before performing the detailed interference analyses described in paragraphs (b) through (d) of this section, the earth station applicant may perform a preliminary interference analysis that will usually eliminate a significant number of terrestrial stations from further consideration. (This same type of preliminary analysis may also be employed by terrestrial station applicants effecting coordination with existing or proposed earth stations.) This preliminary interference analysis takes the form of a refinement of the coordination distance calculation of § 25.253 using the antenna gain of each terrestrial station in the direction of the earth station, determined in accordance with paragraph (d)(3) of this section, instead of the maximum terrestrial antenna gain.

(b) A detailed interference analysis must be performed for each possible interference path which cannot be eliminated from further consideration in regard to harmful interference by means of a preliminary analysis of the type described in paragraph (a) of this section. In order that a uniform procedure be employed by all applicants to assess the likelihood of interference between specific terrestrial stations and specific earth stations, a detailed interference analysis for near great circle propagation mechanisms shall be performed by calculating the interference margin, $P_{mar}(p)$ in dB that is available for all but p percent of the time at the input to the receiver of the potentially interfered-with station from the formula

$$P_{mar}(p)=P_{max}(p)-P_{rc}(p)$$

where:

$P_{max}(p)$=maximum permissible interference power (in dBW) in the reference bandwidth at the receiver input of the potentially interfered-with station not to be exceeded for all but p percent of the time, as calculated in § 25.252;

$P_{rc}(p)$=interference power (in dBW) in the reference bandwidth at the receiver input of the potentially interfered-with station not exceeded for all but p percent of the time, for near great circle propagation mechanisms, as calculated in paragraph (c) of this section.

Because of the different tropospheric propagation modes that may occur, it is necessary to calculate an interference margin $P_{mar}(p)$ for both: A short-term percentage of the time, for example, p=0.01 percent; and a long-term percentage of the time, specifically

p=20 percent. If the interference margins calculated for both the short-term and the long-term percentages of the time are greater than zero, it may then be assumed that harmful interference will not be caused to the potentially interfered-with station by the potentially interfering station. Values of $P_{max}(p)$, for both the short-term and the long-term percentages of the time, are to be determined in accordance with the formulas of § 25.252 and the appropriate values from table 1 of § 25.252, unless it is demonstrated to the Commission that another choice of values is more appropriate for the stations for which coordination is being effected.

(c) The interference power $P_{rec}(p)$ in dBW in the reference bandwidth at the receiver input of the potentially interfered-with station not exceeded for all but p percent of the time is calculated from

$$P_{rec}(p)=P_t+G_t+G_r-L_w-L(p)$$

where:

P_t=maximum available transmitting power (in dBW) in the reference bandwidth at the input to the transmitting antenna of the potentially interfering station,

G_t=gain (in dB with respect to isotropic) of the transmitting antenna, of the potentially interfering station in the pertinent direction,

G_r=gain (in dB with respect to isotropic) of the receiving antenna of the potentially interfered-with station in the pertinent direction,

$L(p)$=basic transmission loss (in dB) present between the two stations for all but p percent of the time,

L_w=receiving system transmission line loss (in dB)

(d) The following considerations apply to the selection of values assigned to the parameters of the formula of paragraph (c) of this section.

(1) The transmitting power P_t of the potentially interfering station is to be taken from the appropriate column of table 1 of § 25.252, except that in cases where the actual power available at the antenna input of the potentially interfering station is known, this actual power should be used, subject to adjustment for any change in power expected in the foreseeable future for effective spectrum utilization and system performance. The values of the transmitting power P_t for terrestrial stations set forth in table 1 of § 25.252 are expressed in terms of total power and may be subject to adjustment to relate this total power to power in the reference bandwidth.

(2) The gain of an earth station antenna, either G_t or G_r, is to be taken as the gain of the earth station antenna toward the horizon in the direction of the potentially interfered-with or interfering terrestrial station. For earth stations communicating with geostationary satellites, this gain is calculated by the procedure of § 25.253(b).

(3) The gain of a terrestrial station antenna, either G_t or G_r, is to be taken as the gain of the terrestrial antenna evaluated at an off-axis discrimination angle equal to the acute angle between the direction to the potentially interfering or interfered-with earth station and the direction to the adjacent terrestrial station in the radio relay system. Initially, it should be assumed that the sidelobe pattern of the terrestrial antenna meets only standard B of § 21.108(c) of this chapter. If the results of this calculation indicates the likelihood of interference, the pattern of standard A should then be used. If such an antenna would eliminate the likelihood of interference, then the provisions of § 21.109(c) of this chapter apply.

(4) If the actual receiving system line loss, L_w, of the potentially interfered-with station is known, it may be used in calculating the interference power. If unknown, zero dB must be assumed.

(5) The calculation of the basic transmission loss L(p) available for all but p percent of the time, is to be done in accordance with the methods of NBS Technote 101, 1966 (Revised) judiciously applied and interpreted, taking into account the appropriate terrain characteristics and the appropriate tropospheric propagation mechanisms. Extrapolation of the methods and values given in Technote 101 to percentages of time less than 0.01 percent should be made cautiously.

(e) Appendix 28 of the international radio regulations and certain reports and recommendations of the CCIR may provide additional information and serve as useful references. In particular, applicants and operators should be aware of the latest revisions of reports 244, 382, and 448.

[38 FR 8579, Apr. 4, 1973]

§ 25.256 Guidelines for performing interference analyses for precipitation scatter modes. [Reserved]

[38 FR 8580, Apr. 4, 1973]

§ 25.308 Automatic Transmitter Identification System (ATIS).

All satellite uplink transmissions carrying broadband video information shall be identified through the use of an automatic transmitter identification system as specified below.

(a) Effective March 1, 1991, all satellite video uplink facilities shall be equipped with an ATIS endcoder meeting the specifications set forth in paragraph (d) of this section.

(b) All video uplink facilities utilizing a transmitter manufactured on or after March 1, 1991 shall be equipped with an ATIS encoder meeting the performance specifications set forth in paragraph (d) of this section and the encoder shall be integrated into the uplink transmitter chain in a method that cannot easily be defeated.

(c) The ATIS signal shall be a separate subcarrier which is automatically activated whenever any RF emissions occur. The ATIS information shall continuously repeat.

(d) The ATIS signal shall consist of the following:

(1) A subcarrier signal generated at a frequency of 7.1 MHz +/− 25 KHz and injected at a level no less than −26 dB (referenced to the unmodulated carrier). The subcarrier deviation shall not exceed 25 kHz peak deviation.

(2) The protocol shall be International Morse Code keyed by a 1200 Hz +/− 800 Hz tone representing a mark and a message rate of 15 to 25 words per minute. The tone shall frequency modulate the subcarrier signal.

(3) The ATIS signal as a minimum shall consist of the following:

(i) The FCC assigned earth station call sign;

(ii) A telephone number providing immediate access to personnel capable of resolving ongoing interference or coordination problems with the station;

(iii) A unique ten digit serial number of random number code programmed into the ATIS device in a permanent manner such that it cannot be readily changed by the operator on duty;

(iv) Additional information may be included within the ATIS data stream provided the total message length, including ATIS, does not exceed 30 seconds.

[55 FR 21551, May 25, 1990]

EFFECTIVE DATE NOTE: At 55 FR 21551, May 25, 1990, § 25.308 was added, effective March 1, 1991.

Subpart D—[Reserved]

Subpart E—Applications and Authorizations

§ 25.390 Developmental operation.

(a) Scope of service: Communication-Satellite developmental stations will be permitted to conduct the following types of operations:

(1) The development of new techniques which give promise of improvement in the Communication-Satellite Service;

(2) The development and testing of equipment intended for use in the Communication-Satellite Service;

(3) Path loss tests necessary to the location of newly proposed earth stations in the Communication-Satellite Service.

(b) Eligibility: An authorization for developmental operation of a station in the Communication-Satellite Service may be issued only to qualified parties who make a showing that they may be reasonably expected to contribute to the development of the Communication-Satellite Service.

(c) A station license may not be granted to or held by:

(1) Any alien or the representative of any alien;

(2) Any foreign government or the representative thereof;

(3) Any corporation organized under the laws of any foreign government;

(4) Any corporation of which any officer or director is an alien;

(5) Any corporation of which more than one-fifth of the capital stock is owned of record or voted by: Aliens or their representatives; a foreign government or representatives thereof; or any corporation organized under the laws of a foreign country;

(6) Any corporation directly or indirectly controlled by any other corporation of which any officer or more than one-fourth of the directors are aliens, if the Commission finds that the public interest will be served by the refusal or revocation of such license;

(7) Any corporation directly or indirectly controlled by any other corporation of which more than one-fourth of the capital stock is owned of record or voted by aliens or their representatives, or by a foreign government or representative thereof, or by any corporation organized under the laws of a foreign government, if the Commission finds that the public interest will be served by the refusal or revocation of such license.

(d) Forms to be used: (1) A separate application for construction permit shall be submitted on FCC Form 401 for each earth station and for each space station. (A space station may consist of one or more identical units.) Each earth station application shall be accompanied by FCC Form 401-A in triplicate in all cases when:

(i) The antenna structures proposed to be erected will exceed an overall height of 170 feet above ground level, except that where the antenna is mounted on top of an existing manmade structure and does not increase the overall height of such manmade structure by more than 20 feet, no Form 401-A need be filed, or

(ii) The antenna structures proposed to be erected will exceed an overall height of 1 foot above the established airport (landing area) elevation for each 200 feet of distance, or fraction thereof, from the nearest boundary of such landing area, except that where the antenna does not exceed 20 feet above the ground or if the antenna is mounted on top of an existing manmade structure or natural formation and does not increase the overall height of such manmade structure or natural formation by more than 20 feet, no Form 401-A need be filed.

(iii) The antenna structures proposed to be erected may have a significant effect on the environment see § 1.1307 of this chapter, and if so, the requisite environmental assessment defined in § 1.1311 of this chapter, must be filed with the Commission and Commission environmental review must be completed prior to the erection of the structure. See § 1.1312 of this chapter.

(2) Upon completion of construction, an application for license may be submitted on FCC Form 403.

(e) Showing required: Each application for developmental operation shall be accompanied by a showing that:

(1) The applicant has an organized plan leading to a specific objective in the development of the Communication-Satellite Service.

(2) A point has been reached in the program where transmission by radio will be essential to the further progress thereof.

(3) The public interest, convenience, or necessity will be served by the proposed operation.

(4) In the event that the applicant seeks authority to construct and operate a space station, capable of being placed in earth orbit and communicating with earth stations, the Commission may require a statement which discloses that arrangements have been made between the applicant and an entity authorized to operate an earth station for transmission of communications signals to or reception of communications signals from such earth station.

(5) In the event that the applicant seeks authority to construct and operate an earth station capable of operating with a space station, the Commission may require a statement which discloses that arrangements have been made between the applicant and an entity authorized to operate a space station for transmission of communications signals to or reception of communications signals from such space station.

(f) Supplementary statement required: Every application for authority to engage in developmental operation shall be accompanied by a statement signed by the applicant in which it is agreed that any authorization issued pursuant thereto will be accepted with the express understanding of the applicant that it is subject to change in any of its terms or to cancellation in its entirety at any time, upon reasonable notice but without hearing, if, in the opinion of the Commission, circumstances should so require.

(g) Additional authority required for test of satellite in orbit: Authorization for the construction of a space station of one or more units shall include the authority for the conduct of performance tests on the ground; however, such construction permits shall not include authority to test such station in orbit. Authority to test a space station in orbit may be obtained only upon approval of a written request therefor, which shall be submitted after construction has been completed. The written request should include a statement setting forth in detail the arrangements which have been made for launch of the spacecraft.

(h) Frequencies available for assignment: Stations engaged in developmental operations may be authorized to use frequencies allocated to the Communication-Satellite Service. When development earth stations propose to operate in bands shared with terrestrial stations, the applicant for a developmental earth station authorization shall comply with the coordination requirements of § 25.203. Applications proposing the operation or performance testing of communication-satellite space stations on the ground must include a showing that harmful interference will not be caused to the operation of licensed terrestrial stations. Requests for frequencies other than those allocated to the Communication-Satellite Service must be supported by a showing that the allocated frequencies are unsuitable. Such applications must be accompanied by a petition requesting the allocation of frequencies for the use proposed to be made by the applicant, and setting forth the reasons in support of such use.

(i) Interference: The operation of any station engaged in developmental operations shall be subject to the condition that no harmful interference is caused to the operation of stations authorized on a regular basis under the provisions of this chapter.

(j) [Reserved]

(k) Limitations on use: Stations used for developmental operation shall be constructed and used in such a manner as to conform with all of the technical and operating requirements of this part unless deviation therefrom is specifically provided in the instrument of authorization. The rendition of communication service for hire is not permitted under any developmental authorization unless specifically authorized by this Commission.

(l) Special provisions: Where some phases of the developmental programs are not covered by the provisions of this chapter, the Commission may specify supplemental or additional requirements or conditions in each case, as deemed necessary in the public interest, convenience or necessity. The Commission may from time to time require a station engaged in developmental work to conduct such special tests as it finds are reasonable or desirable in connection with the authorized developmental program.

(m) Term of authorization: Licenses for developmental operation shall be issued for a term of 1 year, renewable upon request, pursuant to the provisions of paragraph (o) of this section.

(n) Report of operation: A report on the result of the developmental program shall be filed within 60 days of the expiration of the authorization. A licensee may request that its reports and associated material not be made public and the Commission will determine whether, in the light of applicable provisions of law and the requirements of the public interest, such request will be granted. The report shall include comprehensive and detailed information on the following:

(1) The final objective.

(2) Analysis of the results of operation obtained to date.

(3) Number of hours of operation on each frequency.

(4) Copies of any published reports.

(o) Renewal of license: If the developmental program cannot be concluded during the license term an application for renewal of license should be submitted on FCC Form 405 within 90 days but not later than 30 days prior to the end of the license term. The report of operation as provided in paragraph (n) of this section and in addition, a statement in which the need for continuation of the program is clearly explained, should be attached. In any case in which the licensee has in accordance with the provisions of the chapter, made timely and sufficient application for renewal of license, no license with reference to any activity of continuing nature shall expire until the disposition of such application shall have been finally determined.

[32 FR 321, Jan. 12, 1967, as amended at 38 FR 8580, Apr. 4, 1973; 55 FR 20397, May 16, 1990]

§ 25.391 Qualifications of domestic satellite space station licensees.

(a) New domestic fixed-satellites shall comply with the requirements established in Report and Order in CC Docket No. 81-704. The requirements for radio station applications for new domestic fixed-satellites are specified in Appendix B to the Commission's *1983 Processing Order* (93 FCC 2d 1260). Applications must also meet the requirements in paragraphs (b) through (e) of this section. The Commission may require additional or different information in the case of any individual application. Applications will be unacceptable for filing and will be returned to the applicant if they do not meet the requirements referred to in this paragraph.

(b) Each applicant for a space station authorization in the domestic fixed-satellite Service must demonstrate, on the basis of the documentation contained in its application, that it is legally, financially, technically, and otherwise qualified to proceed expeditiously with the construction, launch and/or operation of each proposed space station facility immediately upon grant of the requested authorization. Financial qualifications should be demonstrated in the form specified below. Failure to make such a showing shall result in the dismissal of the application.

(c) Each application for authority to construct and/or to launch and operate a space station in this service shall include a detailed statement of estimated investment and operating costs for the expected lifetime of the facility, and shall demonstrate in accordance with paragraph (d) of this section the applicant's current financial ability to meet the:

(1) Estimated costs of proposed construction and/or launch, and any other initial expenses for the space station(s); and

(2) Estimated operating expenses for one year after launch of the proposed space station(s).

(d) Each application for authority to construct and/or launch a space station shall demonstrate an applicant's current financial ability to meet the costs specified in paragraph (c) of this section by submitting the following financial information verified by affidavit:

(1) A balance sheet current for the latest fiscal year and documentation of any financial commitments reflected in the balance sheet (such as, for example, loan agreements and service contracts) together with an exhibit demonstrating that the applicant has current assets and operating income sufficient to satisfy the requirements of paragraph(c) of this section. If the applicant is owned by more than one corporate parent, it must submit evidence of a commitment to the proposed satellite program by management of the corporate parent upon whom it is relying for financial resources;

(2) If the submissions of paragraph (d)(1) of this section do not satisfy paragraph (c) of this section, the applicant shall submit additional information as listed below to satisfy paragraph (c) of this section.

(i) The terms of any fully negotiated loan or other form of credit arrangement intended to be used to finance the proposed construction, acquisition, or operation of the requested facilities including such information as the identity of the creditor (or creditors), the amount committed, letters of commitment, detailed terms of the transaction, including the details of any contingencies, and a statement that paragraph (e) of this section is complied with;

(ii) The terms of any fully negotiated sale or placement of any equity or other form of ownership interest, including the sale, or long-term lease for the lifetime of the satellite, of proposed satellite transponder capacity in the level of detail as specified in paragraph (d)(2)(i) of this section;

(iii) Any financing arrangements contingent on further performance by either party, such as marketing of satellite capacity or raising additional financing, will not satisfy the requirements of paragraph (c) of this section.

(3) Whatever other information or details the Commission may require with regard to a specific application or applicant;

(e) Any loan or other credit arrangement providing for a chattel mortgage or secured interest in any proposed facility must include a provision for a minimum of ten (10) days prior written notification to the licensee or permittee, and to the Commission, before any such equipment may be repossessed under default provision of the agreement.

(f) An applicant found to be qualified pursuant to paragraph (b) of this section may be initially assigned up to two orbital locations in each pair of frequency bands proposed. Authorizations to construct ground spares are at the applicant's risk that launch authorization will not be granted by the Commission.

(g) Each applicant found to be qualified pursuant to paragraph (b) may be assigned no more than one additional orbital location beyond its current authorizations in each frequency band in which it is authorized to operate, provided that its in-orbit satellites are essentially filled and that it has no more than two unused orbital locations for previously authorized but unlaunched satellites in that band.

(h) In the event that one or more applications satisfying the requirements of this section are ready for grant, any orbital location occupied by a satellite that is determined to be a part of a system that is not essentially filled may be cancelled and colocation of in-orbit satellites may be required. The Commission may take this action if, in so doing, it would allow the grant of pending applications that satisfy the requirements of this section. If a cancellation is made, the licensee will be afforded a period of 30 days to notify the Commission which of its assigned locations should be cancelled.

[50 FR 36079, Sept. 5, 1985, as amended at 51 FR 44069, Dec. 8, 1986]

§ 25.392 Licensing provisions for the radiodetermination satellite service.

(a) *Space station application requirements.* Each application for a space station license in the radiodetermination satellite service shall describe in detail the proposed radiodetermination satellite system, setting forth all pertinent technical and operational aspects of the system, including its capability for providing and controlling radiodetermination service on a geographic basis, and the technical, legal and financial qualifications of the applicant. In particular, each application shall include the information specified in Appendix B of *Space Station Application Filing Procedures,* 93 FCC 2d 1260, 1265 (1983), except that in lieu of demonstrating compliance with item II.F (two degree spacing), applicants are required to demonstrate compatibility with licensed radiodetermination satellite systems. Applicants must also file information demonstrating compliance with all requirements of this section, specifically including information demonstrating how the applicant has complied or plans to comply with the requirements of paragraph (f).

(b) *Space station application procedures.* Each application for a space station in the radiodetermination satellite service shall be placed on public notice for 60 days, during which time interested parties may file comments and petitions related to the application. A 60 day cut-off period shall also be established for the filing of applications to be considered in conjunction with an original application.

(c) *User transceivers.* Individual user transceivers will not be licensed. Service vendors may file blanket applications for transceiver units using FCC Form 403 and specifying the number of units to be covered by the blanket license. FCC Form 430 should be submitted if not already on file in conjunction with other facilities licensed under this subpart. Each application must demonstrate that transceiver operations will not cause interference to other users of the spectrum.

(d) *Permissible communications.* Stations in this service are authorized to render radiodetermination service, and may not render other services except as ancillary to the radiodetermination service.

(e) *Frequency allocation policies.* Each radiodetermination satellite service licensee will be assigned the entire allocated frequency bands on a nonexclusive basis. Coding techniques and power limits as set forth in paragraph (f) below and orbital spacing shall be employed to avoid harmful interference with other radiodetermination satellite service systems.

(f) *Radiodetermination satellite service.* Licenses shall coordinate with other licensees to avoid harmful interference to other radiodetermination satellite systems through (1) power flux density limits; (2) use of pseudorandom-noise codes (for both the satellite-to-user link and for the user-to-satellite link); and (3) random access, time division multiplex techniques.

(g) *License conditions.* All authorizations in the radiodetermination satellite service shall be subject to the policies set forth in the *Report and Order,* including compliance with Appendix D, and the *Second Report and Order* in General Docket Nos. 84-689 and 84-690 and to any policies and rules the Commission may adopt at the later date.

[51 FR 18445, May 20, 1986, as amended at 51 FR 20975, June 10, 1986]

Subparts F–G—[Reserved]

Subpart H—Authorization To Own Stock in the Communications Satellite Corporation

SOURCE: 28 FR 13037, Dec. 5, 1963, unless otherwise noted.

§ 25.501 Scope of this subpart.

The provisions of this subpart govern the administration of section 304 of the Communications Satellite Act of 1962. These rules provide the procedure by which Commission authorization may be obtained for the purchase of stock in the corporation, the form and content of the application, and the scope of the authorization which may be granted.

§ 25.502 Definitions.

(a) *Communications common carrier.* See § 25.103(a).

(b) *Authorized carrier.* For the purposes of this subpart, the term "authorized carrier" means a communications common carrier which is specifically authorized or which is a member of a class of carriers authorized by the Commission to own shares of stock in the corporation.

§§ 25.503—25.504 [Reserved]

§ 25.505 Persons requiring authorization.

(a) No communications common carrier, as defined in § 25.103(a), shall purchase, obtain, own, or otherwise hold at any time, either directly or indirectly through a subsidiary or affiliated company, nominee, person or other entity subject to its control or direction, shares of stock in the corporation created pursuant to the Communications Satellite Act of 1962 unless authorized to do so by the Commission.

(b) No individual, partnership, association, joint-stock company, trust, corporation, or other entity which owns or controls, directly or indirectly, or is under direct or indirect common control with, any such carrier, shall purchase, obtain, own, or otherwise hold, at any time, shares of stock in the corporation in its own name or right unless authorization previously shall have been obtained from the Commission by such entity or on behalf of such entity.

§§ 25.506—25.514 [Reserved]

§ 25.515 Method of securing authorization.

Any person, corporation, or other entity, described in § 25.505, desiring authorization to purchase, obtain, own, or otherwise hold shares of stock in the corporation, shall file an application therefor with the Commission in accordance with §§ 25.520–25.525.

§§ 25.516—25.519 [Reserved]

§ 25.520 Contents of application.

Every request for authorization submitted under this subpart shall contain or incorporate the following information:

(a) If applicant is a corporation:

(1) The name and address of the applicant.

(2) Place of incorporation.

(3) Names and addresses of directors of applicant.

(4) Names and addresses of applicant's ten principal stockholders and percentages of stock of applicant owned by each.

(5) Names and addresses of principal officers of applicant and percentage of stock of applicant owned by each.

(6) A copy of applicant's annual report to stockholders for the last full year of its operations covered by such report.

(7) A copy of applicant's corporate charter. (If such charter is already on file with the Commission, applicant may so state.)

(8) Names and addresses of all companies in which applicant has financial interests, the nature and extent of such interests, and a description of the principal business and activities of such companies.

(9) Description of the intrastate, interstate, and foreign communication services rendered by applicant itself or jointly with other carriers, and the state or states or other political subdivisions in which applicant's operations are conducted.

(10) Statement of why applicant believes a grant of its application will be consistent with the public interest, convenience, and necessity.

(b) If applicant is an individual or business organization other than a corporation:

(1) Name and address of the applicant.

(2) Name and address of each person having a financial interest in the entity and a description of the nature and extent of such interest.

(3) Principal place of business of applicant.

(4) Copy of applicant's balance sheet and income statement for the last full year of applicant's operations.

(5) Description of the intrastate, interstate, and foreign communications services rendered by applicant itself or jointly with other carriers and the state or states or other political subdivisions in which applicant's operations are conducted.

(6) Statement of why applicant believes a grant of its application will be consistent with the public interest, convenience, and necessity.

(c) If application is made on behalf of any entity other than the applicant itself, the application shall so state and shall include or incorporate the information for said entity specified in paragraph (a) or (b) of this section as appropriate.

§ 25.521 Who may sign applications.

(a) Except as provided in paragraph (b) of this section, every application or amendment thereto shall be personally signed by the applicant, if the applicant is an individual; by one of the partners, if the applicant is a partnership; by an officer if the applicant is a corporation; or by a member who is an officer, if the applicant is an unincorporated association.

(b) Applications and amendments thereto may be signed by the applicant's attorney in case of the applicant's physical disability, or in case the applicant does not reside in any of the contiguous 48 states of the United States or in the District of Columbia. The attorney shall in that event separately set forth the reason why the application is not signed by the applicant. In addition, if any matter is stated on the basis of the attorney's belief only (rather than his knowledge), he shall separately set forth his reasons for believing that such statements are true.

(c) Only the original of applications and amendments thereto need be signed; copies may be conformed.

(d) Applications and amendments thereto need not be signed under oath; however, wilful false statements made therein, are punishable by fine and imprisonment, U.S. Code, Title 18, section 1001, and by appropriate administrative sanctions, including refusal or revocation of authorization to purchase, obtain, own, or otherwise hold shares of stock in the corporation.

§ 25.522 Full disclosures.

Each application shall contain full and complete disclosures with regard to the real party or parties in interest and as to all matters and things required to be disclosed in the application.

§ 25.523 Form of application, number of copies, fees, etc.

(a) The original application and five copies thereof shall be filed with the Commission. Each copy shall bear the dates and signatures that appear on the original and shall be complete in itself.

(b) All applications shall be on paper 8 by 10½ inches with left hand margin not less than 1½ inches wide. The impression shall be on one side of the paper only and shall be double spaced. All applications and accompanying papers, except charts, shall be typewritten or prepared by mechanical processing methods. All copies must be clearly legible.

[28 FR 13037, Dec. 5, 1963, as amended at 52 FR 5294, Feb. 20, 1987]

§ 25.524 [Reserved]

§ 25.525 Action upon applications.

No application filed under this subpart will be granted by the Commission earlier than 20 days following issuance of public notice by the Commission of the acceptance for filing of such application or any substantial amendment thereto. Any interested party may file comments with respect to the application (or amendment thereto) within this 20-day period. Such comments must also be served on the applicant who shall be afforded 10 days in which to file reply comments. If upon examination of any such application (or amendment thereto) together with any comments filed with respect thereto the Commission is unable to make a finding that a grant of authorization will be consistent with the public interest, convenience, and necessity, it will deny the application or institute such further proceedings as in its discretion appear appropriate.

§ 25.526 Amendments.

The Commission may at any time order or require the applicant to amend his application so as to make it more definite and certain or to submit such additional documents, or statements, as in the judgment of the Commission may be necessary.

§ 25.527 Defective applications.

(a) Applications not in accordance with the applicable rules in this chapter may be deemed defective and returned by the Commission without acceptance of such applications for filing and consideration.

(b) The assignment of a file number, if any, to an application is for the administrative convenience of the Commission and does not indicate the acceptance of the application for filing and consideration.

§§ 25.528—25.529 [Reserved]

§ 25.530 Scope of authorization.

(a) In order to effectuate the purpose of the Communications Satellite Act of 1962 of promoting the widest possible distribution of stock among the authorized carriers, each authorization issued pursuant to this subpart by the Commission shall be so conditioned that in the event any voting stock authorized to be issued by the corporation, which is reserved and available for purchase by authorized carriers, is oversubscribed, the Commission may specify the dollar amount or percentage of such stock which may be purchased pursuant to such authorization.

(b) All authorizations shall be issued to, or on behalf of the named applicant and shall not be transferable.

(c) The Commission may attach such other conditions to the authorization as it determines to be consistent with the public interest, convenience, and necessity.

§ 25.531 Revocation of authorization.

Where any person to whom an authorization has been issued pursuant to this subpart has willfully failed to make a complete disclosure with regard to the real party or parties in interest or as to all matters and things required to be disclosed in the application, the Commission at any time may order such person to show cause why such authorization should not be revoked. Such person will be given reasonable opportunity to respond in writing to the order to show cause. Upon consideration of the response, the Commission will determine whether an order of revocation should issue or whether further proceedings, as may be appropriate, should be instituted. If an order of revocation is issued, immediate disposition shall be made of the shares of stock purchased or otherwise obtained pursuant to said authorization.

PART 32—UNIFORM SYSTEM OF ACCOUNTS FOR TELECOMMUNICATIONS COMPANIES

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AUTHORITY: Secs. 4(i), 4(j) and 220 as amended; 47 U.S.C. 154(i), 154(j) and 220 unless otherwise noted.

SOURCE: 51 FR 43499, Dec. 2, 1986, unless otherwise noted.

Subpart A—Preface

§ 32.1 Background.

The revised Uniform System of Accounts (USOA) is a historical financial accounting system which reports the results of operational and financial events in a manner which enables both management and regulators to assess these results within a specified accounting period. The USOA also provides the financial community and others with financial performance results. In order for an accounting system to fulfill these purposes, it must exhibit consistency and stability in financial reporting (including the results published for regulatory purposes). Accordingly, the USOA has been designed to reflect stable, recurring financial data based to the extent regulatory considerations permit upon the consistency of the well established body of accounting theories and principles commonly referred to as generally accepted accounting principles.

§ 32.2 Basis of the accounts.

(a) The financial accounts of a company are used to record, in monetary terms, the basic transactions which occur. Certain natural groupings of these transactions are called (in different contexts) transaction cycles, business processes, functions or activities. The concept, however, is the same in each case; i.e., the natural groupings represent what happens within the company on a consistent and continuing basis. This repetitive nature of the natural groupings, over long periods of time, lends an element of stability to the financial account structure.

(b) Within the telecommunications industry companies, certain recurring functions (natural groupings) do take place in the course of providing products and services to customers. These accounts reflect, to the extent feasible, those functions. For example, the primary bases of the accounts containing the investment in telecommunications plant are the functions *performed by* the assets. In addition, because of the anticipated effects of future innovations, the telecommunications plant accounts are intended to permit technological distinctions. Similarly, the primary bases of plant operations, customer operations and corporate operations expense accounts are the functions *performed by* individuals. The revenue accounts, on the other hand, reflect a market perspective of natural groupings based primarily upon the products and services *purchased by* customers.

(c) In the course of developing the bases for this account structure, several other alternatives were explored. It was, for example, determined that, because of the variety and continual changing of various cost allocation mechanisms, the financial accounts of a company should not reflect an *a priori* allocation of revenues, investments or expenses to products or services, jurisdictions or organizational structures. (Note also § 32.14 (c) and (d) of Subpart B.) It was also determined that costs (in the case of assets) should not be recorded based solely upon physical attributes such as location, description or size.

(d) Care has been taken in this account structure to avoid confusing a function with an organizational responsibility, particularly as it relates to the expense accounts. Whereas in the past, specific organizations may have performed specific functions, the future environment with its increasing mechanization and other changes will result in entirely new or restructured organizations. Thus, any relationships drawn between organizations and accounts would become increasingly meaningless with the passage of time.

(e) These accounts, then, are intended to reflect a functional and technological view of the telecommunications industry. This view will provide a stable and consistent foundation for the recording of financial data.

(f) The financial data contained in the accounts, together with the detailed information contained in the underlying financial and other subsidiary records required by this Commission, will provide the information necessary to support separations, cost of service and management reporting requirements. The basic account structure has been designed to remain stable as reporting requirements change.

§ 32.3 Authority.

This Uniform System of Accounts has been prepared under the following authority: Section 4 of the Communications Act of 1934, as amended, 47 U.S.C. section 154 (1984); sections 219, 220 of the Communications Act of 1934, as amended, 47 U.S.C. sections 219, 220, (1984).

§ 32.4 Communications Act.

Attention is directed to the following extract from section 220 of the Communications Act of 1934, 47 U.S.C. 220 (1984):

> (e) Any person who shall willfully make any false entry in the accounts of any book of accounts or in any record or memoranda kept by any such carrier, or who shall willfully destroy, mutilate, alter, or by any other means or device falsify any such account, record, or memoranda, or who shall willfully neglect or fail to make full, true, and correct entries in such accounts, records, or memoranda of all facts and transactions appertaining to the business of the carrier, shall be deemed guilty of a misdemeanor, and shall be subject, upon conviction, to a fine of not less than $1,000 nor more than $5,000 or imprisonment for a term of not less than one year nor more than three years, or both such fine and imprisonment: Provided, that the Commission may in its discretion issue orders specifying such operating, accounting or financial papers, records, books, blanks, or documents which may, after a reasonable time, be destroyed, and prescribing the length of time such books, papers, or documents shall be preserved.

For regulations governing the periods for which records are to be retained, see Part 42, Preservation of Records of Communications Common Carriers, of this chapter which relates to preservation of records.

Subpart B—General Instructions

§ 32.11 Classification of companies.

(a) For accounting purposes, companies are divided into classes as follows:

(1) *Class A*. Companies having annual revenues from regulated telecommunications operations of $100,000,000 or more.

(2) *Class B*. Companies having annual revenues from regulated telecommunications operations of less than $100,000,000.

(b) Class A companies shall keep all the accounts of this system of accounts which are applicable to their affairs and are designated as Class A accounts. These companies shall also keep Basic Property Records in compliance with the requirements of § 32.2000 (e) and (f) of Subpart C.

(c) Class B companies shall keep all accounts of this system of accounts which are applicable to their affairs and are designated as Class B accounts. These companies shall also keep Continuing Property Records in compliance with the requirements of §§32.2000(e)(7)(A) and 32.2000(f) of Subpart C.

(d) Class B companies that desire more detailed accounting may adopt the accounts prescribed for Class A companies upon the submission of a written notification to the Commission.

(e) The initial classification of a company shall be determined by its lowest annual operating revenues for the five immediately preceding years. Subsequent changes in classification shall be made when the annual operating revenues show a greater or lesser classification for five consecutive years. Companies becoming subject to the jurisdiction of the Commission and not having revenue data for the five immediately preceding years shall estimate the amount of their annual revenues and adopt the scheme of accounts appropriate for the amount of such estimated revenues.

§ 32.12 Records.

(a) The company's financial records shall be kept in accordance with generally accepted accounting principles to the extent permitted by this system of accounts.

(b) The company's financial records shall be kept with sufficient particularity to show fully the facts pertaining to all entries in these accounts. The detail records shall be filed in such manner as to be readily accessible for examination by representatives of this Commission.

(c) The Commission shall require a company to maintain financial and other subsidiary records in such a manner that specific information, of a type not warranting disclosure as an account or subaccount, will be readily available. When this occurs, or where the full information is not otherwise recorded in the general books, the subsidiary records shall be maintained in sufficient detail to facilitate the reporting of the required specific information. The subsidiary records, in which the full details are shown, shall be sufficiently referenced to permit ready identification and examination by representatives of this Commission.

§ 32.13 Accounts—General.

(a) As a general rule, all accounts kept by reporting companies shall conform in numbers and titles to those prescribed herein. However, reporting companies may use different numbers for internal purposes when separate accounts (or subaccounts) maintained are consistent with the title and content of accounts and subaccounts prescribed in this system.

(1) For Class A reporting companies, accounts which are clearly summaries of other accounts or subaccounts are to be used for reporting purposes and are not otherwise required to be maintained.

(2) A company may subdivide any of the accounts prescribed. The titles of all such subaccounts shall refer by number or title to the controlling account.

(3) A company may establish temporary or experimental accounts provided that within 30 days of the opening of such accounts the company notifies the Commission of the nature and purpose thereof.

(b) Exercise of the preceding options shall be allowed only if the integrity of the prescribed accounts is not impaired.

(c) As of the date a company becomes subject to the system of accounts, the company is authorized to make any such subdivisions, reclassifications or consolidations of existing balances as are necessary to meet the requirements of this system of accounts.

(d) Nothing contained in this Part shall prohibit or excuse any company, receiver, or operating trustee of any carrier from subdividing the accounts hereby prescribed for the purpose of:

(1) Complying with the requirements of the state commission(s) having jurisdiction; or

(2) Securing the information required in the prescribed reports to such commission(s).

(e) Where the use of subsidiary records is considered necessary in order to secure the information required in reports to any state commission, the company shall incorporate the following controls into their accounting system with respect to such subsidiary records:

(1) Subsidiary records shall be reconciled to the company's general ledger or books of original entry, as appropriate.

(2) The company shall adequately document the accounting procedures related to subsidiary records.

(3) The subsidiary records shall be maintained at an adequate level of detail to satisfy state regulators.

§ 32.14 Regulated accounts.

(a) In the context of this part, the regulated accounts shall be interpreted to include the investments, revenues and expenses associated with those telecommunications products and services to which the tariff filing requirements contained in Title II of the Communications Act of 1934, as amended, are applied, except as may be otherwise provided by the Commission. Regulated telecommunications products and services are thereby fully subject to the accounting requirements as specified in Title II of the Communications Act of 1934, as amended, and as detailed in Subparts A through F of this Part of the Commission's Rules and Regulations.

(b) In addition to those amounts considered to be regulated by the provisions of paragraph (a) of this section, those telecommunications products and services to which the tariff filing requirements of the several state jurisdictions are applied shall be accounted for as regulated, except where such treatment is proscribed or otherwise excluded from the requirements pertaining to regulated telecommunications products and services by this Commission.

(c) In the application of detailed accounting requirements contained in this part, when a regulated activity involves the common or joint use of assets and resources in the provision of regulated and nonregulated products and services, companies shall account for these activities within the accounts prescribed in this system for telephone company operations. Assets and expenses shall be subdivided in subsidiary records among amounts solely assignable to nonregulated activities, amounts solely assignable to regulated activities, and amounts related to assets used and expenses incurred jointly or in common, which will be allocated between regulated and nonregulated activities. Companies shall submit reports identifying regulated and nonregulated amounts in the manner and at the times prescribed by this Commission. Nonregulated revenue items not qualifying for incidental treatment, as provided in § 32.4999(l), shall be recorded in Account 5280, Nonregulated operating revenue.

(d) Other income items which are incidental to the provision of regulated products and services shall be accounted for as regulated activities.

(e) All costs and revenues related to the offering of regulated products and services which result from arrangements for joint participation or apportionment between two or more telephone companies (e.g., joint operating agreements, settlement agreements, cost-pooling agreements) shall be recorded within the detailed accounts. Under joint operating agreements, the creditor will initially charge the entire expenses to the appropriate primary accounts. The proportion of such expenses borne by the debtor shall be credited by the creditor and charged by the debtor to the account initially charge. Any allowances for return on property used will be accounted for as provided in Account 5240, Rent Revenue.

(f) All items of nonregulated revenue, investment and expense that are not properly includible in the detailed, regulated accounts prescribed in Subparts A through F of this part, as determined by paragraphs (a) through (e) of this section shall be accounted for and included in reports to this

Commission as specified in § 32.23 of this subpart.

[51 FR 43499, Dec. 2, 1986, as amended at 52 FR 6560, Mar. 4, 1987; 53 FR 49321, Dec. 7, 1988]

§ 32.15 [Reserved]

§ 32.16 Changes in accounting standards.

(a) The company's records and accounts shall be adjusted to apply new accounting standards prescribed by the Financial Accounting Standards Board or successor authoritative accounting standard-setting groups, in a manner consistent with generally accepted accounting principles. Commission approval of a change in accounting standard will automatically take effect 90 days after the company informs this Commission of its intention to follow the new standard, unless the Commission notifies the company to the contrary. Concurrent with informing this Commission of its intent to adopt an accounting standards change, the company shall also file a revenue requirement study for the current year and a projection for three years into the future analyzing the effects of the accounting standards change. Furthermore, any change subsequently adopted shall be disclosed in annual reports to this Commission.

(b) The changes in accounting standards which this Commission approves will not necessarily be binding on the ratemaking practices of the various state commissions.

§ 32.17 Interpretation of accounts.

To the end that uniform accounting shall be maintained within the prescribed system, questions involving matters of significant which are not clearly provided for shall be submitted to the Chief, Common Carrier Bureau, for explanation, interpretation, or resolution. Questions and answers thereto with respect to this system of accounts will be maintained by the Common Carrier Bureau.

§ 32.18 Waivers.

A waiver from any provision of this system of accounts shall be made by the Federal Communications Commission upon its own initiative or upon the submission of written request therefor from any telecommunications company, or group of telecommunications companies, provided that such a waiver is in the public interest and each request for waiver expressly demonstrates that: existing peculiarities or unusual circumstances warrant a departure from a prescribed procedure or technique; a specifically defined alternative procedure or technique will result in a substantially equivalent or more accurate portrayal of operating results or financial condition, consistent with the principles embodied in the provisions of this system of accounts; and the application of such alternative procedure will maintain or improve uniformity in substantive results as among telecommunications companies.

§ 32.19 Address for reports and correspondence.

Reports, statements, and correspondence submitted to the Federal Communications Commission in accordance with or relating to instructions and requirements contained herein shall be addressed to the Common Carrier Bureau, Federal Communications Commission, Washington, DC 20554.

§ 32.20 Numbering convention.

(a) The number "32" (appearing to the left of the first decimal point) indicates the part number.

(b) The numbers immediately following to the right of the decimal point indicate, respectively, the section or account. *All Part 32 Account numbers contain 4 digits to-the-right-of the decimal point.*

(c) Cross references to accounts are made by citing the account numbers to the right of the decimal point; e.g., Account 2232 rather than the corresponding complete Part 32 reference number 32.2232.

§ 32.21 Sequence of accounts.

The order in which the accounts are presented in this system of accounts is not to be considered as necessarily indicative of the order in which they will be scheduled at all times in reports to this Commission.

§ 32.22 Comprehensive interperiod tax allocation.

(a) Companies shall apply interperiod tax allocation (tax normalization) to all book/tax timing differences which would be considered material for published financial report purposes. Furthermore, companies shall also apply interperiod tax allocation if any item or group of similar items when aggregated would yield debit or credit entries which exceed or would exceed 5 percent of the gross deferred income tax expense debits or credits during any calendar year over the life of the timing difference.

Book/tax timing differences, other than those resulting from accelerated depreciation or waiver, however, shall be phased-in over a period of five years as directed by this Commission. The tax effects of book/tax timing differences shall be normalized and the deferrals shall be included in the following accounts:

4100 Net Current Deferred Operating Income Taxes
4110 Net Current Deferred Nonoperating Income Taxes
4340 Net Noncurrent Deferred Operating Income Taxes
4350 Net Noncurrent Deferred Nonoperating Income Taxes

In lieu of the accounting prescribed herein, any company shall treat the increase/reduction in current income taxes payable resulting from the use of flow through accounting in prior years and the phase-in years as an increase/reduction in current income tax expense.

(b) Supporting documentation shall be maintained so as to separately identify the amount of deferred taxes which arise from the use of an accelerated method of depreciation.

(c) With respect to the tax differentials that are phased-in, companies shall maintain underlying entries to and the balances in the above accounts so as to show that the deferred tax amounts are not greater than the phase-in percentage allowed by this Commission.

(d) The records supporting the activity in the deferred income tax accounts shall be maintained in sufficient detail to identify the nature of the specific timing differences giving rise to both the debits and credits to the individual accounts.

(e) Any company that uses accelerated depreciation (or recognizes taxable inome or losses upon the retirement of property) for income tax purposes shall normalize the tax differentials occasioned thereby as indicated in paragraphs (e)(1) and (e)(2) of this section.

(1) With respect to the retirement of property the book/tax difference between (i) the recognition of proceeds as income and the accrual for salvage value and (ii) the book and tax capital recovery, shall be normalized.

(2) Records shall be maintained so as to show the deferred tax amounts by vintage year separately for each class or subclass of eligible depreciable telephone plant for which an accelerated method of depreciation has been used for income tax purposes. When property is transferred to nonregulated activities, the associated deferred income taxes and unamortized investment tax credits shall also be identified and transferred to the appropriate nonregulated accounts.

(f) The tax differentials to be normalized as indicated herein shall also encompass the additional effect of state and local income tax changes on Federal income taxes produced by the provision for deferred state and local income taxes for book/tax timing differences related to such income taxes.

(g) Companies that receive the tax benefits from the filing of a consolidated income tax return by the parent company, (pursuant to closing agreements with the Internal Revenue Service, effective January 1, 1966) representing the deferred income taxes from the elimination of intercompany profits for income tax purposes on sales of regulated equipment, may credit such deferred taxes directly to the plant account which contains such intercompany profit rather than crediting such deferred taxes to the applicable accounts in paragraph (a) of this section. If the deferred income taxes are recorded as a reduction of the appropriate plant accounts, such reduction shall be treated as reducing the original cost of the plant and accounted for as such.

[51 FR 43499, Dec. 2, 1986, as amended at 52 FR 7580, Mar. 12, 1987]

§ 32.23 Nonregulated activities.

(a) This section describes the accounting treatment of activities classified for accounting purposes as "nonregulated." Preemptively deregulated activities and activities (other than incidental activities) never subject to regulation will be classified for accounting purposes as "nonregulated." Activities that qualify for incidental treatment under the policies of this Commission will be classified for accounting purposes as regulated activities. Activities that have been deregulated by a state will be classified for accounting purposes as regulated activities. Activities that have been deregulated at the interstate level, but not preemptively deregulated, will be classified for accounting purposes as regulated activities until such time as this Commission decides otherwise. The treatment of nonregulated activities shall differ depending on the extent of the common or joint use of assets and resources in the provision of both regulated and nonregulated products and services.

(b) When a nonregulated activity does not involve the joint or common use of assets and resources in the provision of both regulated and nonregulated products and services, carriers shall account for these activities on a separate set of books consistent with instructions set forth in §§ 32.1406 and 32.7990. Transfers of assets, and sales of products and services between the regulated activity and a nonregulated activity for which a separate set of books is maintained, shall be accounted for in accordance with the rules presented in § 32.27, Transactions with Affiliates. In the separate set of books, carriers may establish whatever detail they deem appropriate beyond what is necessary to provide this Commission with the information required in §§ 32.1406 and 32.7990.

(c) When a nonregulated activity does involve the common or joint use of assets and resources in the provision of regulated and nonregulated products and services, carriers shall account for these activities within accounts prescribed in this system for telephone company operations. Assets and expenses shall be subdivided in subsidiary records among amounts solely assignable to nonregulated activities, amounts solely assignable to regulated activities, and amounts related to assets and expenses incurred jointly or in common, which will be allocated between regulated and nonregulated activities. Carriers shall submit reports identifying regulated and nonregulated amounts in the manner and at the times prescribed by this Commission. Nonregulated revenue items not qualifying for incidental treatment, as provided in § 32.4999(1), shall be recorded in separate subsidiary record categories of Account 5280, Nonregulated operating revenue. Amounts assigned or allocated to regulated products or services shall be subject to part 36 of this chapter.

[52 FR 6560, Mar. 4, 1987, as amended at 53 FR 49322, Dec. 7, 1988]

§ 32.24 Compensated absences.

(a) Companies shall record a liability and charge the appropriate expense accounts for compensated absences (vacations, sick leave etc.) in the year in which these benefits are earned by employees.

(b) With respect to the liability that exists for compensated absences which is not yet recorded on the books as of the effective date of this part, the liability shall be recorded in Account 4120, Other Accrued Liabilities, with a corresponding entry to Account 1439, Deferred Charges. This deferred charge shall be amortized on a straight line basis over a period of ten years.

(c) Records shall be maintained so as to show that no more than ten percent of the deferred charge is being amortized each year.

§ 32.25 Unusual items and contingent liabilities.

Extraordinary items, prior period adjustments and contingent liabilities shall be submitted to this Commission for review before being recorded in the company's books of account. The materiality of corrections of errors in prior periods shall be measured in relation to the summary account level used for reporting purposes for Class A carriers, or in relation to total operating revenues or total operating expenses for Class B carriers. For Class A carriers, no correction in excess of one percent of the aggregate summary account dollars or one million dollars, whichever is higher, may be recorded in current operating accounts without prior approval. For Class B carriers, no correction which exceeds one percent of total operating revenues or one percent of total operating expenses, depending on the nature of the item, may be recorded in current operating accounts without prior approval.

[52 FR 43917, Nov. 17, 1987]

§ 32.26 Materiality.

Companies shall follow this system of accounts in recording all financial and statistical data irrespective of an individual items materiality under GAAP, unless a waiver has been granted under the provisions of § 32.18 of this subpart to do otherwise.

§ 32.27 Transactions with affiliates.

(a) Unless otherwise approved by the Chief, Common Carrier Bureau, transactions with affiliates involving asset transfers into or out of the regulated accounts shall be recorded by the carrier in its regulated accounts as provided in paragraphs (b) through (f) of this section.

(b) Charges for assets purchased by or transferred to the regulated telephone activity of a carrier from affiliates shall be recorded in the operating accounts of the regulated activity at the invoice price if that price is determined by a prevailing price held out to the general public in the normal course of business. If a prevailing price for the assets received by the regulated activity is not available, the charges recorded by the regulated activity for such assets shall be the lower of their cost to the originating activity and the affiliated group less all applicable valuation reserves, or their fair market value.

(c) Assets sold or transferred from the regulated accounts to affiliates shall be recorded as operating revenues, incidental revenues or asset retirements according to the nature of the transaction involved. If such sales are reflected in tariffs on file with a regulatory commission or in a prevailing price held out to the general public, the associated revenues shall be recorded at the prices contained therein in the appropriate revenue accounts. If no tariff or prevailing price is applicable, the proceeds from such sales shall be determined at the higher of cost less all applicable valuation reserves, or estimated fair market value of the asset.

(d) Services provided to an affiliate pursuant to a tariff, including a tariff filed with a state commission, shall be recorded in the appropriate revenue accounts at the tariffed rate. Services provided by an affiliate to the regulated activity, when the same services are also provided by the affiliate to unaffiliated persons or entities, shall be recorded at the market rate. When a carrier provides substantially all of a service to or receives substantially all of a service from an affiliate which are not also provided to unaffiliated persons or entities, the services shall be recorded at cost which shall be determined in a manner that complies with the standards and procedures for the apportionment of joint and common costs between the regulated and nonregulated operations of the carrier entity.

(e) Income taxes shall be allocated among the regulated activities of the carrier, its nonregulated divisions, and members of an affiliated group. Under circumstances in which income taxes are determined on a consolidated basis by the carrier and other members of the affiliated group, the income tax expense to be recorded by the carrier shall be the same as would result if determined for the carrier separately for all time periods, except that the tax effect of carry-back and carry-forward operating losses, investment tax credits, or other tax credits generated by operations of the carrier shall be recorded by the carrier during the period in which applied in settlement of the taxes otherwise attributable to any member, or combination of members, of the affiliated group.

(f) Companies that employ average schedules in lieu of actual costs are exempt from the provisions of this section. For other organizations, the principles set forth in this section shall apply equally to corporations, proprietorships, partnerships and other forms of business organizations.

[52 FR 6561, Mar. 4, 1987; 52 FR 39534, Oct. 22, 1987]

Subpart C—Instructions for Balance Sheet Accounts

§ 32.101 Structure of the balance sheet accounts.

The Balance Sheet accounts shall be maintained as follows:

Account 1120, Cash and Equivalents, through Account 1500, Other Jurisdictional Assets—Net, shall include assets other than regulated-fixed assets.

Account 2001, Telecommunications Plant in Service, through Account 2007, Goodwill, shall include the regulated fixed assets.

Account 3100, Accumulated Depreciation through Account 3600, Accumulated Amortization—Other, shall include the asset and deferred tax reserves.

Account 4010, Accounts Payable, through Account 4550, Retained Earnings, shall include all liabilities and stockholders equity.

§ 32.102 Nonregulated investments.

Nonregulated investments shall include the investment in nonregulated activities that are conducted through the same legal entity as the telephone company operations, but do not involve the joint or common use of assets or resources in the provision of both regulated and nonregulated products and services. See §§ 32.14 and 32.23.

[52 FR 6561, Mar. 4, 1987]

§ 32.103 Balance Sheet accounts for other than regulated-fixed assets to be maintained.

BALANCE SHEET ACCOUNTS

Account title	Class A account	Class B account
Current Assets		
Cash and equivalents:		
Cash and equivalents		1120
Cash	1130	
Special cash deposits	1140	
Working cash advances	1150	
Temporary investments	1160	
Receivables and allowances for doubtful accounts:		
Telecommunications accounts receivable	1180	1180
Accounts receivable allowance—telecommunications	1181	1181
Other accounts receivable	1190	1190
Accounts receivable allowance—other	1191	1191
Notes receivable	1200	1200
Notes receivable allowance	1201	1201
Interest and dividends receivable	1210	1210
Supplies:		
Material and supplies	1220	1220
Prepayments:		
Prepayments		1280
Prepaid rents	1290	
Prepaid taxes	1300	
Prepaid insurance	1310	
Prepaid directory expenses	1320	
Other prepayments	1330	
Other current assets:		
Other current assets	1350	1350
Noncurrent Assets		
Investments:		
Investment in affiliated companies	1401	1401
Investments in nonaffiliated companies	1402	1402
Nonregulated investments	1406	1406
Unamortized debt issuance expense	1407	1407
Sinking funds	1408	1408
Other noncurrent assets	1410	1410
Deferred charges:		
Deferred maintenance and retirements	1438	1438
Deferred charges	1439	1439
Other:		
Other jurisdictional assets—net	1500	1500

§ 32.1120 Cash and equivalents.

This account shall be used by Class B companies to record assets of the type required of Class A companies in Accounts 1130 through 1160.

§ 32.1130 Cash.

(a) This account shall include the amount of current funds available for use on demand in the hands of financial officers and agents, deposited in banks or other financial institutions and also funds in transit for which agents have received credit.

(b) Working cash advances shall be included in Account 1150, Working Cash Advances.

§ 32.1140 Special cash deposits.

(a) This account shall include the amount of cash on special deposit, other than in sinking and other special funds provided for elsewhere, to pay dividends, interest, and other debts, when such payments are due one year or less from the date of deposit; the amount of cash deposited to insure the performance of contracts to be performed within one year from date of the deposit; and other cash deposits of a special nature not provided for elsewhere. This account shall include the amount of cash deposited with trustees to be held until mortgaged property sold, destroyed, or otherwise disposed of is replaced, and also cash realized from the sale of the company's securities and deposited with trustees to be held until invested in physical property of the company or for disbursement when the purposes for which the securities were sold are accomplished.

(b) Cash on deposit in special accounts where the funds are available for the current requirements of the company shall be included in Account 1130, Cash.

(c) Cash on special deposit to be held for more than one year from the date of deposit shall be included in Account 1410, Other Noncurrent Assets.

§ 32.1150 Working cash advances.

This account shall include the amount of cash advanced to officers, agents, employees, and others as petty cash or working funds from which expenditures are to be made and accounted for.

§ 32.1160 Temporary investments.

(a) This account shall include the cost of current securities acquired for the purpose of temporarily investing cash, such as time drafts receivable and time loans, bankers' acceptances, United States Treasury certificates, marketable securities, and other similar investments of a temporary character.

(b) Accumulated changes in the net unrealized losses of current marketable equity securities shall be included in the determination of net income in the period in which they occur in Account 7360, Other Nonoperating Income.

(c) Subsidiary record categories shall be maintained in order that the entity may separately report the amounts contained herein that relate to affiliates and nonaffiliates. Such subsidiary record categories shall be reported as required by Part 43 of this Commission's Rules and Regulations.

§ 32.1180 Telecommunications accounts receivable.

(a) This account shall include all amounts due from customers for services rendered or billed and from agents and collectors authorized to make collections from customers. This account shall also include all amounts due from customers or agents for products sold. This account shall be kept in such manner as will enable the company to make the following analysis:

(1) Amounts due from customers who are receiving telecommunications service.

(2) Amounts due from customers who are not receiving service and whose accounts are in process of collection.

(b) Collections in excess of amounts charged to this account may be credited to and carried in this account until applied against charges for services rendered or until refunded.

(c) Subsidiary record categories shall be maintained in order that the entity may separately report the amounts contained herein that relate to affiliates and nonaffiliates. Such subsidiary record categories shall be reported as required by Part 43 of this Commission's Rules and Regulations.

§ 32.1181 Accounts receivable allowance—telecommunications.

(a) This account shall be credited with amounts charged to Account 5301, Uncollectible Revenue—Telecommunications, to provide for uncollectible amounts included in Account 1180, Telecommunications Accounts Receivable. There shall also be credited to this account amounts collected which previously had been written off through charges to this account and credits to Account 1180. There shall be charged to this account any amounts covered thereby which have been found to be impracticable of collection.

(b) If no such allowance is maintained, uncollectible amounts shall be charged directly to Account 5301, Uncollectible Revenue—Telecommunications.

(c) Subsidiary record categories shall be maintained in order that the entity may separately report the amounts contained herein that relate to affiliates and nonaffiliates. Such subsidiary record categories shall be reported as required by Part 43 of this Commission's Rules and Regulations.

§ 32.1190 Other accounts receivable.

(a) This account shall include all amounts currently due, and not provided for in other accounts, such as those for traffic settlements, divisions of revenue, material and supplies, matured rents, and interest receivable under monthly settlements on short-term loans, advances, and open accounts.

(b) Subsidiary record categories shall be maintained in order that the entity may separately report the amounts contained herein that relate to affiliates and nonaffiliates. Such subsidiary record categories shall be reported as required by Part 43 of this Commission's Rules and Regulations.

(c) Amounts included in this account pertaining to affiliates shall not include amounts receivable from sales of telecommunications service provided at tariffed rates. Such amounts shall be included in Account 1180, Telecommunications Accounts Receivable.

(d) If any items included in this account are not to be paid currently they shall be transferred to Account 1410, Other Noncurrent Assets, or 1401, Investments in Affiliated Companies, as appropriate.

§ 32.1191 Accounts receivable allowance—other.

(a) This account shall be credited with amounts charged to Account 5302, Uncollectible Revenue—Other to provide for uncollectible amounts included in Account 1190, Other Accounts Receivable. There shall also be credited to this account amounts collected which previously had been written off through charges to this account and credits to Account 1190. There shall be charged to this account any amounts covered thereby which have been found to be impracticable of collection.

(b) If no such allowance is maintained, uncollectible amounts shall be charged directly to Account 5302, Uncollectible Revenue—Other.

(c) Subsidiary record categories shall be maintained in order that the entity may separately report the amounts contained herein that relate to affiliates and nonaffiliates. Such subsidiary record categories shall be reported as required by Part 43 of this Commission's Rules and Regulations.

§ 32.1200 Notes receivable.

(a) This account shall include the cost of demand or time notes, bills and drafts receivable, or other similar evidences (except interest coupons) of money receivable on demand or within a time not exceeding one year from date of issue.

(b) Subsidiary record categories shall be maintained in order that the entity may separately report the amounts contained herein that relate to affiliates and nonaffiliates. Such subsidiary record categories shall be reported as required by Part 43 of this Commission's Rules and Regulations.

§ 32.1201 Notes receivable allowance.

(a) This account shall be credited with amounts charged Account 6790, Provision for Uncollectible Notes Receivable to provide for uncollectible amounts included in Account 1200, Notes Receivable. There shall also be credited to this account amounts collected which previously had been written off through charges to this account and credits to Account 1200. There shall be charged to this account any amounts covered thereby which have been found to be impracticable of collection.

(b) If no such allowance is maintained, uncollectible amounts shall be charged directly to Account 6790, Provision for Uncollectible Notes Receivable.

(c) Subsidiary record categories shall be maintained in order that the entity may separately report the amounts contained herein that relate to affiliates and nonaffiliates. Such subsidiary record categories shall be reported as required by Part 43 of this Commission's Rules and Regulations.

§ 32.1210 Interest and dividends receivable.

(a) This account shall include the amount of interest accrued to the date of the balance sheet on bonds, notes, and other commercial paper owned, on loans made, and the amount of dividends receivable on stocks owned.

(b) This account shall not include dividends or other returns on securities issued or assumed by the company and held by or for it, whether pledged as collateral, or held in its treasury, in special deposits, or in sinking and other funds.

(c) Interest receivable under monthly settlements on short-term loans, advances, and open accounts, shall be included in Account 1180, Telecommunications Accounts Receivable or Account 1190, Other Accounts Receivable, as appropriate.

(d) Dividends received and receivable from affiliated companies accounted for on the equity method shall be included in Account 1401, Investments in Affiliated Companies, as a reduction of the carrying value of the investment.

§ 32.1220 Inventories.

(a) This account shall include the cost of materials and supplies held in stock and inventories of goods held for resale or lease. The investment in inventories shall be maintained in the following subaccounts:

1220.1 Material and supplies
1220.2 Property held for sale or lease

(b) These subaccounts shall not include items which are related to a nonregulated activity unless that activity involves joint or common use of assets and resources in the provision of regulated and nonregulated products and services.

(c) 1220.1 Material and supplies. This subaccount shall include cost of material and supplies held in stock including plant supplies, motor vehicles supplies, tools, fuel, other supplies and material and articles of the company in process of manufacture for supply stock. (Note also § 32.2000(c)(2)(iii) of this subpart.)

(d) Transportation charges and sales and use taxes, so far as practicable, shall be included as a part of the cost of the particular material to which they relate. Transportation and sales and use taxes which are not included as part of the cost of particular material shall be equitably apportioned among the detail accounts to which material is charged.

(e) So far as practicable, cash and other discount on material shall be deducted in determining cost of the particular material to which they relate or credited to the account to which the material is charged. When such deduction is not practicable, discounts shall be equitably apportioned among the detail accounts to which material is charged.

(f) Material recovered in connection with construction, maintenance or retirement of property shall be charged to this account as follows:

(1) Reusable items that, when installed or in service, were retirement units shall be included in this account at the original cost, estimated if not known. (Note also § 32.2000(d)(3) of this subpart.)

(2) Reusable minor items that, when installed or in service, were not retirement units shall be included in this account at current prices new.

(3) The cost of repairing reusable material shall be charged to the appropriate account in the Plant Specific Operations Expense accounts.

(4) Scrap and nonusable material included in this account shall be carried at the estimated amount which will be received therefor. The difference between the amounts realized for scrap and nonusable material sold and the amounts at which it is carried in this account, so far as practicable, shall be adjusted in the accounts credited when the material was taken up in this account.

(g) Interest paid on material bills, the payments of which are delayed, shall be charged to Account 7540, Other interest deductions.

(h) Inventories of material and supplies shall be taken during each calendar year and the adjustments to this account shall be charged or credited to Account 6512, Provisioning expense.

(i) *1220.2 Property held for sale or lease.* This subaccount shall include the cost of all items purchased for resale or lease. The cost shall include applicable transportation charges, sales and use taxes, and cash and other purchase discounts. Inventory shortage and overage shall be charged and credited, respectively, to Account 5280, Nonregulated operating revenue.

[52 FR 39534, Oct. 22, 1987, as amended at 53 FR 49322, Dec. 7, 1988]

§ 32.1280 Prepayments.

This account shall be used by Class B companies to record assets of the type required of Class A companies in Accounts 1290 through 1330.

§ 32.1290 Prepaid rents.

This account shall include the amounts of rents paid in advance of the period in which they are chargeable to income, except amounts chargeable to telecommunications plant under construction and minor amounts which may be charged directly to the final accounts. As the term expires for which the rents are paid, this account shall be credited monthly and the appropriate account charged.

§ 32.1300 Prepaid taxes.

This account shall include the balance of all taxes, other than amounts chargeable to telecommunication plant under construction and minor amounts which may be charged to the final accounts, paid in advance and which are chargeable to income within one year. As the term expires for which the taxes are paid, this account shall be credited monthly and the appropriate account charged.

§ 32.1310 Prepaid insurance.

This account shall include the amount of insurance premiums paid in advance of the period in which they are chargeable to income, except premiums chargeable to telecommunications plant under construction and minor amounts which may be charged directly to the final accounts. As the term expires for which the premiums are paid, this account shall be credited monthly and the appropriate account charged.

§ 32.1320 Prepaid directory expenses.

This account shall include the cost of preparing, printing, binding, and delivering directories and the cost of soliciting advertisements for directories, except minor amounts which may be charged directly to Account 6622, Number Services. Amounts in this account shall be cleared to Account 6622 by monthly charges representing that portion of the expenses applicable to each month.

§ 32.1330 Other prepayments.

This account shall include prepayments, other than those includable in Accounts 1290 through 1320, except minor amounts which may be charged directly to the final accounts. As the term expires for which the payments apply, this account shall be credited monthly and the appropriate account charged.

§ 32.1350 Other current assets.

This account shall include the amount of all current assets which are not includable in Accounts 1120 through 1330.

§ 32.1401 Investments in affiliated companies.

(a) This account shall include the acquisition cost of the company's investment in equity or other securities issued or assumed by affiliated companies, other than securities held in special funds which shall be charged to Account 1408, Sinking Funds. The carrying value of the investment (securities) accounted for on the equity method shall be adjusted to recognize the company's share of the earnings or losses and dividends received or receivable of the affiliated company from the date of acquisition. (Note also Account 1210, Interest and Dividends Receivable, and Account 7310, Dividend Income.)

(b) Declines in value of investments accounted for under the cost method shall be charged to Account 4540, Other Capital, if temporary and as a current period loss if permanent. Detail records shall be maintained to

best copy available

reflect unrealized losses for each investment.

(c) A subsidiary record shall be kept identifying separately common stocks, preferred stocks, advances to affiliates, and long-term debt. Further, the company's records shall identify the securities pledged as collateral for any of the company's long-term debt or short-term loans or to secure performance of contracts.

(d) This account shall also include advances represented by book accounts only with respect to which it is carried or intended that they shall be either settled by issuance of capital stock or debt; or shall not be subject to current cost settlement.

(e) Amounts due from affiliated companies which are subject to current settlement shall be included in Account 1180, Telecommunications Accounts Receivable, Account 1190, Other Accounts Receivable, or Account 1200, Notes Receivable, as appropriate.

(f) Subsidiary record categories shall be maintained in order that the entity may separately report the amounts contained herein that relate to the equity method and the cost method. Such subsidiary record categories shall be reported as required by Part 43 of this Commission's Rules and Regulations.

§ 32.1402 Investments in nonaffiliated companies.

(a) This account shall include the acquisition cost of the Company's investment in securities issued or assumed by nonaffiliated companies and individuals, other than securities held in special funds which shall be charged to Account 1408, Sinking Funds, and also its investment advances to such parties and special deposits of cash for more than one year from date of deposit.

(b) Declines in value of investments shall be charged to Account 4540, Other Capital, if temporary and as a current period loss if permanent. Detail records shall be maintained to reflect unrealized losses for each investment.

(c) This account shall also include advances represented by book accounts only with respect to which it is agreed or intended that they shall be either settled by issuance of capital stock or debt; or shall not be subject to current cost settlement.

(d) A subsidiary record shall be kept identifying spearately common stocks, preferred stocks, long-term debt, investment advances and special deposits of cash for more than one year from the date of deposit. Further, the company's record shall identify the securities pledged as collateral for any of the company's long-term debt or short-term loans or to secure performance of contracts.

(e) Amounts due from nonaffiliated companies which are subject to current settlement shall be included in Account 1180, Telecommunications Accounts Receivable , Account 1190, Other Accounts Receivable, or Account 1200, Notes Receivable, as appropriate.

§ 32.1406 Nonregulated investments.

(a) This account shall include the carrier's investment in nonregulated activities accounted for in a separate set of books as provided in § 32.23(b).

(b) This account shall be subdivided as follows:

1406.1 Permanent investment.
1406.2 Receivable/payable.
1406.3 Current net income or loss.

[52 FR 6561, Mar. 4, 1987; 52 FR 39535, Oct. 22, 1987]

§ 32.1407 Unamortized debt issuance expense.

(a) This account shall include the total unamortized balance of debt issuance expense for all classes of outstanding long-term debt. Amounts included in this account shall be amortized monthly and charged to account 7530, Amortization of Debt Issuance Expense.

(b) Debt Issuance expense include all expenses in connection with the issuance and sale of evidence of deb such as fees for drafting mortgage and trust deeds; fees and taxes for issuing or recording evidences of deb costs of engraving and printing bond certificates of indebtedness, and othe commercial paper; fees paid trustee specific costs of obtaining governme tal authority; fees for legal services; fees and commissions paid underwriters, brokers, and salesmen; fees and expenses of listing on exchanges, and other like costs.

(c) A subsidiary record shall be kept of each issue outstanding.

§ 32.1408 Sinking funds.

(a) This account shall include the amount of cash and other assets which are held by trustees or by the company's treasurer in a distinct fund, for the purpose of redeeming outstanding obligations.

(b) Interest or other income arising from funds carried in this account shall generally be charged to this account.

(c) A subsidiary record shall be kept for each sinking fund which shall designate the obligation in support of which the fund was created.

§ 32.1410 Other noncurrent assets.

This account shall include the amount of all noncurrent assets which are not includable in Accounts 1401 through 1408.

§ 32.1438 Deferred maintenance and retirements.

(a) This account shall include such items as the unprovided-for loss in service value of telecommunications plant for extraordinary nonrecurring retirement not considered in depreciation and the cost of extensive replacements of plant normally chargeable to the current period Plant Specific Operations Expense accounts.

(b) Charges provided for in paragraph (a) of this section shall be included in this account only upon direction or approval from this Commission. However, the company's application to this Commission for such approval shall give full particulars concerning the property retired, the extensive replacements, the amount chargeable to operating expenses and the period over which in its judgment the amount of such charges should be distributed.

§ 32.1439 Deferred charges.

(a) This account shall include all deferred charges not provided for in Accounts 1438, Deferred Maintenance and Retirements, and 1500, Other Jurisdictional Assets—Net. Such charges include unaudited amounts and other debit balances in suspense that cannot be cleared and disposed of until additional information is received; the amount, pending determination of loss, of funds on deposit with banks which have failed; revenue, expense, and income items held in suspense; amounts paid for options pending final disposition.

(b) This account shall include the cost of preliminary surveys, plans, investigation, etc., made for construction projects under contemplation. If the projects are carried out, the preliminary costs shall be included in the cost of the plant constructed. If the projects are abandoned, the preliminary costs shall be charged to Account 7370, Special Charges.

(c) This account shall include also the cost of evaluations, inventories, and appraisals taken in connection with the acquisition or sale of property. If the property is subsequently acquired, the preliminary costs shall be accounted for as a part of the cost of acquisition, or if it is sold, such costs shall be deducted from the sale price in accounting for the property sold. If purchases or sales are abandoned, the preliminary costs included herein (including options paid, if any) shall be charged to Account 7370.

§ 32.1500 Other jurisdictional assets—net.

This account shall include the cumulative impact on assets of jurisdictional ratemaking practices which vary from those of this Commission. All entries recorded in this account shall be recorded net of any applicable income tax effects and shall be supported by subsidiary records where necessary as provided for in § 32.13(e) of Subpart B.

§ 32.2000 Instructions for telecommunications plant accounts.

(a) *Purpose of telecommunications plant accounts.* (1) The telecommunications plant accounts (2001 to 2007 inclusive) are designed to show the investment in the company's tangible and intangible telecommunications plant which ordinarily has a service life of more than one year, including such plant whether used by the company or others in providing telecommunications service.

(2) The telecommunications plant accounts shall not include the cost or other value of telecommunications plant contributed to the company. Contributions in the form of money or its equivalent toward the construction of telecommunications plant shall be credited to the accounts charged with the cost of such construction. Amounts of non-recurring reimbursements based on the cost of plant or equipment furnished in rendering service to a customer shall be credited to the accounts charged with the cost of the plant or equipment. Amounts received for construction which are ultimately to be repaid wholly or in part, shall be credited to Account 4360, Other Deferred Credits; when final determination has been made as to the amount to be returned, any unrefunded amounts shall be credited to the accounts charged with the cost of such construction. Amounts received for the construction of plant, the ownership of which rests with or will revert to others, shall be credited to the accounts charged with the cost of such construction. (Note also Account 7110, Income from Custom Work.)

(3) When telecommunications plant ordinarily having a service life of more than one year is installed for temporary use in providing telecommunications service, it shall be accounted for in the same manner as plant having a service life of more than one year. This includes temporary installations of plant (such as poles, wire and cable) installed to maintain service during the progress of highway reconstruction or during interruptions due to storms or other casualties, equipment used for the training of operators, equipment used to provide intercepting positions in central offices to handle traffic for a short period following extensive system changes and similar installations of property used to provide telecommunications service.

(4) The cost of individual items if equipment, classifiable to Accounts 2112, Motor Vehicles; 2113, Aircraft; 2114, Special Purpose Vehicles, 2115, Garage Work Equipment; 2116, Other Work Equipment; 2122, Furniture; 2123 Office Equipment; and 2124, General Purpose Computers, costing $500 or less or having a life less than one year shall be charged to the applicable Plant Specific Operations Expense accounts. If the aggregate investment in the items is relatively large at the time of acquisition, such amounts shall be maintained in an applicable material and supplies account until items are used.

(b) *Telecommunications plant acquired.* (1) Property, plant and equipment acquired from an entity, whether or not affiliated with the accounting company, shall be accounted for at original cost, except that property, plant and equipment acquired from a nonaffiliated entity shall be accounted for at acquisition cost if the purchase price is less than $100,000 for Class A companies or $25,000 for Class B companies.

(2) The accounting for property plant and equipment to be recorded at original cost shall be as follows:

(i) The amount of money paid (or current money value of any consideration other than money exchanged) for the property (together with preliminary expenses incurred in connection with the acquisition) shall be charged to Account 1439, Deferred Charges.

(ii) The original cost, estimated if not known, of telecommunications plant, governmental franchises and other similar rights acquired shall be charged to the applicable telecommunications plant accounts, Telecommunications Plant Under Construction, and Property Held For Future Telecommunications Use, as appropriate, and credited to Account 1439. When the actual original cost cannot be determined and estimates are used, the company shall be prepared to furnish the Commission with the particulars of such estimates.

(iii) Depreciation and amortization of plant acquired shall be credited to Account 3100, Accumulated Depreciation, or Account 3200, Accumulated Depreciation—Held for Future Telecommunications Use, 3400, Accumulated Amortization—Tangible, 3410, Accumulated Amortization—Capitalized Leases, 3420, Accumulated Amortization—Leasehold Improvements, 3500, Accumulated Amortization—Intangibles, and 3600, Accumulated Amortization—Other, and debited to Account 1439.

(iv) Any amount remaining in Account 1439, applicable to the plant acquired, shall, upon completion of the entries provided in paragraphs (b)(2) (i), (ii) and (iii) of this section, be debited or credited, as applicable, to Account 2007, Goodwill, or to Account 2005, Telecommunications Plant Adjustment, as appropriate.

(3) A memorandum record shall be kept showing the amount of contributions in aid of construction applicable to the property acquired as shown by the accounts of the previous owner.

(4) Companies shall submit to the Commission for consideration and approval copies of journal entries recording acquisition of telecommunications plant covered by this instruction when the consideration paid is $1,000,000 or greater (Class A companies) and $250,000 or greater (Class B companies). The text of such entries shall give a complete description of the property acquired and the basis upon which the amounts of the entries have been determined.

(c) *Cost of construction.* (1) Telecommunications plant represents an economic resource which will be used to provide future services, the cost of which will be allocated in a rational and systematic manner to the future periods in which it provides benefits. In accounting for construction costs, the utility shall charge to the telecommunications plant accounts, where applicable, all direct and indirect costs.

(2) Direct and indirect costs shall include, but not be limited to:

(i) "Labor" includes the wages and expenses of employees directly engaged in or in direct charge of construction work. It includes expenses directly related to an employee's wages, such as worker's compensation insurance, payroll taxes, benefits and other similar items of expense.

(ii) "Engineering" includes the portion of the wages and expenses of engineers, draftsmen, inspectors, and their direct supervision applicable to construction work. It includes expenses directly related to an employee's wages, such as worker's compensation insurance, payroll taxes, benefits and other similar items of expense.

(iii) "Material and supplies" includes the purchase price of material used at the point of free delivery plus the costs of inspection, loading and transportation, and an equitable portion of provisioning expense. In determining the cost of material used, proper allowance shall be made for unused material, for material recovered from temporary structures used in performing the work involved, and for discounts allowed and realized in the purchase of material. This item does not include construction material that is stolen or rendered unusable due to vandalism. Such material should be charged to the applicable plant specific operations expense accounts.

(iv) "Transportation" includes the cost of transporting employees, material and supplies, tools and other work equipment to and from the physical construction location. It includes amounts paid therefor to other companies or individuals and the cost of using the company's own motor vehicles or other transportation equipment.

(v) "Contract work" includes amounts paid for work performed under contract or other agreement by other companies, firms or individuals; engineering and supervision applicable to such work; cost incident to the award of contracts; and the inspection of such work. The cost of construction work performed by affiliated companies and other details relating thereto shall be available from the work in progress and supporting records.

(vi) "Protection" includes the cost of protecting the company's property from fire or other casualties and the cost of preventing damages to others or the property of others.

(vii) "Privileges, Permits, and Rights of way" includes such costs incurred in obtaining these privileges, permits, or rights of way in connection with construction work, such as for use of private property, streets or highways. The cost of such privileges and permits shall be included in the cost of the work for which the privileges or permits are obtained, except for costs includable in Account 2111, Land, and Account 2690, Intangibles.

(viii) "Taxes" includes taxes properly includable in construction costs before the facilities are completed for service, which taxes are assessed separately from taxes on operating property or under conditions that permit separate identification of the amount chargeable to construction.

(ix) "Special machine service" includes the cost of labor expended, materials and supplies consumed and other expenses incurred in the maintenance, operation and use of special and other labor saving machines (other than transportation equipment (such as trenching equipment, cable plows and pole setting trucks. Also included are expenditures for rental, maintenance and operation of such machines owned by others. When a construction job requires the purchase of special machines, the cost thereof, less the appraised or salvage value at the time of release from the job, shall be included in the cost of construction.

(x) "Allowance for funds used during construction" includes the cost of debt and equity funds used in the construction of telecommunications property and shall be applied to telecommunications property designed to be completed in over one year as described in § 32.2004 of this subpart. Allowance for funds used during construction shall be charged to the accounts appropriate for the cost of the property acquired or constructed as follows:

(A) Reasonable amounts of interest during the construction period (before the property is received or is completed ready for telecommunications service) on general funds expended for any acquisition or construction of telecommunications plant shall be computed on amounts in Account 2004, Telecommunications Plant Under Construction—Long Term and shall be charged thereto. Such amounts shall be credited to Account 7340, Allowance For Funds Used During Construction.

(B) When funds, derived from the sales of bonds, notes and other interest-bearing debt, are specifically acquired and seperately held for use in the construction of telecommunications plant, the total interest, discount or premium shall be included in the cost of telecommunications plant and credited to Account 7340, Allowance For Funds Used During Construction: *Provided, however,* That no interest charge for a period longer than six months prior to the commencement of construction work shall be made unless specifically authorized by the Commission.

(C) During the period of suspension of a construction project, no allowance for funds used during construction for a period longer than six months from the date of its suspension shall be included in these accounts unless specifically authorized by the Commission. No allowance for funds used during construction charge shall be included in these accounts on expenditures for construction projects which have been abandoned.

(D) No amount of allowance for funds used during construction shall be accrued retroactively for any telecommunications plant which was once included in Account 2003, Telecommunications Plant Under Construction—Short Term. No reversal of allowance for funds used during construction is necessary for plant included in Account 2004, but completed in less than one year.

(xi) "Insurance" includes premiums paid specifically for protection against loss and damage in connection with the construction of telecommunications plant due to fire or other casualty, injury to or death of employees or others, damages to property of others, defalcations of employees and agents and the non-performance of contractual obligations of others.

(xii) "Construction services" include the cost of telephone, electricity, power, construction quarters, office space and equipment directly related to the construction project.

(xiii) "Indirect construction costs" shall include indirect costs such as general engineering, supervision and support. Such costs, in addition to direct supervision, shall include indirect plant operations and engineering supervision up to, but not including, supervision by executive officers whose pay and expenses are chargeable to Account 6711, Executive. The records supporting the entries for indirect construction costs shall be kept so as to show the nature of the expenditures, the individual jobs and accounts charged, and the bases of the distribution. The amounts charged to each plant account for indirect costs shall be readily determinable. The instructions contained herein shall not be interpreted as permitting the addition to plant of amounts to cover indirect costs based on arbitrary allocations.

(xiv) The cost of construction shall not include any amounts classifiable as Corporate Operations Expense.

(d) *Telecommunications plant retired.* (1) Telecommunications plant accounts shall at all times disclose the original cost of all property in service. When any item of property subject to plant retirement accounting is worn out, lost, sold, destroyed, abandoned, surrendered upon lapse of title, becomes permanently unserviceable, is withdrawn or for any other reason is retired from service, the plant accounts applicable to that item shall be credited with the original cost of the plant retired whether replaced or not (except as provided for minor items in paragraph (d)(2)(ii) of this section). Normally, these retirement credits with respect to such plant as entire buildings, entire central offices, all plant abandoned and any large sections of plant withdrawn from service, shall be entered in the accounts for the month in which use of the property ceased. For any other plant withdrawn from service, the retirement credits shall be entered no later than the next succeeding month. Literal compliance with the provision for timing of entries with respect to property amounting to less than $50,000 retired under any one project is not required if an unreasonable amount of recordkeeping and estimating of quantities, original costs and salvage is necessary. The retirement entry shall refer to the continuing property record, or records supplemental thereto, from which the cost was obtained (note also paragraph (d)(3) of this section). Every company shall establish procedures which will ensure compliance with these requirements.

(2) To avoid undue refinement, depreciable telecommunications plant shall be accounted for as follows:

(i) Retirement units: This group includes major items of property, a representative list of which shall be prescribed by this Commission. In lieu of the retirement units prescribed with respect to a particular account, a company may, after obtaining specific approval by this Commission, establish and maintain its own list of retirement units for a portion or all of the plant in any such account. For items included on the retirement units list, the original cost of any such items retired shall be credited to the plant account and charged to Account 3100, Accumulated Depreciation, whether or not replaced. The original cost of retirement units installed in place of property retired shall be charged to the applicable telecommunications plant account.

(ii) Minor items: This group includes any part or element of plant which is not designated as a retirement unit. The original cost of a minor item of property when included in the specific or average cost for a retirement unit or units requires no separate credit to the telecommunications plant account when such a minor item is retired. The cost of replacement shall be charged to the account applicable for the cost of repairs of the property. However, if the replacement effects a substantial betterment (the primary aim of which is to make the property affected more useful, of greater durability, of greater capacity or more economical in operation), the excess cost of such a replacement, over the estimated cost at the then current prices of replacement without betterment of the minor items being retired, shall be charged to the applicable telecommunications plant account.

(3) The cost of property to be retired shall be the amount at which property is included in the telecommunications plant accounts. However, when it is impracticable to determine the cost of each item due to the relatively large number or small cost of such items, the average cost of all the items covered by an appropriate subdivision of the account shall be used in determining the cost to be assigned to such items when retired. The method used in determining average cost must give due regard to the quantity, vintage, size and kind of items, the area in which they were installed and their classification in other respects. Average cost may be applied in retirement

of such items as poles, wire, cable, cable terminals, conduit and booths. Any company may use average cost of property installed in a year or band of years as approved by the Commission. It should be understood, however, that the use of average costs shall not relieve the company of the requirement for maintaining its continuing property records to show, where practicable, dates of installation and removal for purposes of mortality studies. (See § 32.2000(f) of this subpart, Standard Practices for Establishing and Maintaining Continuing Property Records.)

(4) The accounting for the retirement of property, plant and equipment shall be as provided above except:

(i) Amounts included in Account 2005, Telecommunications Plant Adjustment; Account 2680, Amortizable Tangible Assets; Account 2681, Capital Leases; Account 2682, Leasehold Improvements; Account 2690, Intangibles; and any amounts associated with amortizable leaseholds, easements, and similar rights in land included in Account 2111, Land, shall be debited, as appropriate, to Account 3400, 3410, 3420, 3500, or 3600, and credited to the applicable accounts.

(ii) Amounts in Account 2111, Land, and amounts for works of art recorded in Account 2122, Furniture, shall be treated at disposition as a gain or loss and shall be credited or debited to Account 7150, Gains and Losses from Disposition of Land and Artwork, as applicable. If land or artwork is retained by the company and held for sale, the cost shall be charged to Account 2006, Nonoperating Plant.

(5) When the telecommunications plant is sold together with traffic associated therewith, the original cost of the property shall be credited to the applicable plant accounts and the estimated amounts carried with respect thereto in the accumulated depreciation and amortization accounts shall be charged to such accumulated accounts. The difference, if any, between the net amount of such debit and credit items and the consideration received (less commissions and other expenses of making the sale) for the property shall be included in Account 7350, Gains and Losses from Disposition of Certain Property. The accounting for depreciable telecommunications plant sold without the traffic associated therewith shall be in accordance with the accounting provided in § 32.3100(c) of this subpart.

(e) *Basic property records.* (1) The basic property records are that portion of the total property accounting system which preserves the following detailed information:

(i) The identity, vintage, location and original cost of units of property;

(ii) Original and ongoing transactional data (plant account activity) in terms of such units; and

(iii) Any other specific financial and cost accounting information not properly warranting separate disclosure as an account or subaccount but which is needed to support regulatory, cost, tax, management and other specific accounting information needs and requirements.

(2) The basic property records must be: (i) Subject to internal accounting controls, (ii) auditable, (iii) equal in the aggregate to the total investment reflected in the financial property control accounts as well as the total of the cost allocations supporting the determination of cost-of-service at any particular point in time, and (iv) maintained throughout the life of the property.

(3) The basic property records shall consist of (i) continuing property records and (ii) records supplemental thereto which together reveal clearly, by accounting area, the detailed and systematically summarized information necessary to meet fully the requirements of paragraphs (e)(1) and (e)(2) of this section.

(4) Companies shall establish and maintain basic property records for each class of property recorded in the several plant accounts which comprise the balance sheet Account 2001, Telecommunications Plant In Service, Account 2002, Property Held for Future Telecommunications Use, and Account 2006, Nonoperating Plant.

(5) The company shall notify the Commission of a plan for the basic property record as follows:

(i) Not later than June 30 of the year following that in which it becomes subject to this system of accounts, the company shall file with the Commission two (2) copies of a complete plan of the method to be used in the compilation of a basic property record with respect to each class of property. The plan shall include a list of proposed accounting areas accompanied by description of the boundaries of each area as defined in accordance with the requirements of § 32.2000(f)(1) (i) and (ii) of this subpart. The plan shall also include a list of property record units proposed for use under each regulated plant account. These property record units shall be selected such that the requirements of § 32.2000(f)(2) (i), (ii) and (iii) of this subpart can be satisfied.

(ii) The company shall submit to the Commission one copy of any major proposed changes in its basic property record plan at least 30 days before the effective date of the proposed changes.

(6) The company shall prepare and maintain the basic property record as follows:

(i) Not later than June 30 of the year following that in which the company becomes subject to this system of accounts, begin the preparation of a basic property record.

(ii) Complete within two years of the prescribed beginning date, basic property records for all property as of the end of the preceding calendar year.

(iii) Promptly process in the basic property records all property changes affecting periods subsequent to initial establishment of the basic property record.

(7) The basic property record components (see paragraph (c) of this section) shall be arranged in conformity with the regulated plant accounts prescribed in this section of accounts as follows:

(i) The continuing property records shall be compiled on the basis of original cost (or other book cost consistent with this system of accounts). The continuing property records shall be maintained as prescribed in § 32.2000(f)(2)(iii) of this subpart in such manner as will meet the following basic objectives:

(A) Provide for the verification of property record units by physical examination.

(B) Provide for accurate accounting for retirements.

(C) Provide data for use in connection with depreciation studies.

(ii) The records supplemental to the continuing property records shall disclose such service designations, usage measurement criteria, apportionment factors, or other data as may be prescribed by the Commission in this Part or other Parts of its Rules and Regulations. Such data are subject to the same general controls and standards for auditability and support as are all other elements of the basic property records.

(f) *Standard practices for establishing and maintaining continuing property records*—(1) *Accounting area.* (i) The continuing property record, as related to each primary plant account, shall be established and maintained by subaccounts for each accounting area. An accounting area is the smallest territory of the company for which accounting records of investment are maintained for all plant accounts within the area. Areas already established for administrative, accounting, valuation, or other purposes may be adopted for this purpose when appropriate. In no case shall the boundaries of accounting areas cross either State lines or boundaries prescribed by the Commission.

(ii) In determining the limit of each area, consideration shall be given to the quantities of property, construction conditions, operating districts, county and township lines, taxing district boundaries, city limits, and other political or geographical limits, in order that the area adopted may have maximum adaptability, within the confines of practicability, for both the company's purpose and those of Federal, State, and municipal authorities.

(2) *Property record units.* (i) In each of the established accounting areas, the "property record units" which are to be maintained in the continuing property record shall be set forth separately, classified by size and type with the amount of original cost (or other appropriate book cost) associated with such units. When a list of property record units has been accepted by the Commission, they shall become the units referred to in this

statement of standard practices. Such units shall apply to only the regulated portion of this system of accounts.

(ii) When it is found necessary to revise this list because of the addition of units used in providing new types of service, or new units resulting from improvements in technology, or because of the grouping or elimination of units which no longer merit separate recognition as property record units, one copy of such changes shall be submitted to the Commission. Upon appropriate showing by the company, the Commission may specifically exempt the company from these filing requirements.

(iii) The continuing property record shall reveal the description, location, date of placement, the essential details of construction, and the original cost (note also § 32.2000(f)(3) of this subpart) of the property record units. The continuing property record and other underlying records of construction costs shall be so maintained that, upon retirement of one or more retirement units or of minor items without replacement when not included in the costs of retirement units, the actual cost or a reasonably accurate estimate of the cost of the plant retired can be determined.

(3) *Methods of determining original cost of property record units.* The original cost of the property record units shall be determined by analyses of the construction costs incurred as shown by completion reports and other data, accumulated in the respective construction work orders or authorizations. Costs shall be allocated to and associated with the property record units to facilitate accounting for retirements. The original cost of property record units shall be determined by unit identification or averaging as described in paragraphs (f)(3)(i) and (ii) of this section.

(i) *Unit identification.* Cost shall be identified and maintained by specific location for property record units contained within certain regulated plant accounts or account groupings such as Land, Buildings, Central Office Assets, Motor Vehicles, Garage Work Equipment, and Furniture. In addition, units involved in any unusual or special type of construction shall be recorded by their specific location costs (note also § 32.2000(f)(3)(ii)(B) of this subpart.

(ii) *Averaging.* (A) Average costs may be developed for plant consisting of a large number of similar units such as terminal equipment, poles, wire, cable, cable terminals, conduit, furniture, and work equipment. Units of similar size and type within each specified accounting area and regulated plant account may be grouped. Each such average cost shall be set forth in the continuing property record of the units with which it is associated.

(B) The averaging of costs permitted under the provisions of the foregoing paragraph is restricted to plant installed in a particular vintage or band of years incurred within an accounting area. This paragraph does not permit the inclusion of the cost of units involved in any unusual or special type of construction. The units involved in such unusual or special type of construction shall be recorded at cost by location.

(4) *Estimates.* In cases where the actual original cost of property cannot be ascertained, such as pricing an inventory for the initial entry of a continuing property record or the pricing of an acquisition for which a continuing property record has not been maintained, the original cost may be estimated. Any estimated original cost shall be consistent with the accounting practices in effect at the time the property was constructed.

(5) *Identification of property record units.* There shall be shown in the continuing property record or in record supplements thereof, a complete description of the property records units in such detail as to identify such units. The description shall include the identification of the work order under which constructed, the year of installation (unless not determinable per § 32.2000(f)(4) of this subpart, specific location of the property within each accounting area in such manner that it can be readily spot-checked for proof of physical existence, the accounting company's number or designation, and any other description used in connection with the determination of the original cost. Descriptions of units of similar size

and type shall follow prescribed groupings.

(6) *Reinstalled units.* When units to which average costs are not applied, i.e., specific and fixed location units, are removed or retired and subsequently reinstalled, the date when the unit was first charged to the appropriate plant account shall, when required for adequate service life studies and reasonably accurate retirement accounting, be shown in addition to the date of reinstallation.

(7) *Age and service life of property.* The continuing property record shall disclose the age of existing property and the supporting records shall disclose the service life of property retired. Exceptions from this requirement for any property record unit shall be submitted to the Commission for approval.

(8) *Reference to sources of information.* There shall be shown by appropriate reference the source of all entries. All drawings, computations, and other detailed records which support quantities and costs or estimated costs shall be retained as a part of or in support of the continuing property record.

(9) *Jointly owned property.* (i) With respect to jointly owned property, there shall be shown in the continuing property record or records supplemental thereto:

(A) The identity of all joint owners.

(B) The percentage owned by the accounting company.

(ii) When regulated plant is constructed under arrangements for joint ownership, the amount received by the constructing company from the other joint owner or owners shall be credited as a reduction of the gross cost of the plant in place.

(iii) When a sale of a part interest in regulated plant is made, the fractional interest sold shall be treated as a retirement and the amount received shall be treated as salvage. The continuing property record or records supplemental thereto shall be so maintained as to identify separately retirements of this nature from physical retirements of jointly owned plant.

(iv) If jointly owned regulated property is substantial in relation to the total of the same kind of regulated property owned wholly by the company, such jointly owned regulated property shall be appropriately segregated in the continuing property record.

(g) *Depreciation accounting*—(1) *Computation of depreciation rates.* (i) Unless otherwise provided by the Commission, either through prior approval or upon prescription by the Commission, depreciation percentage rates shall be computed in conformity with a group plan of accounting for depreciation and shall be such that the loss in service value of the property, except for losses excluded under the definition of depreciation, may be distributed under the straight-line method during the service life of the property.

(ii) In the event any composite percentage rate becomes no longer applicable, revised composite percentage rates shall be computed in accordance with paragraph (g)(1)(i) of this section.

(iii) The company shall keep such records of property and property retirements as will allow the determination of the service life of property which has been retired, or facilitate the determination of service life indications by mortality, turnover, or other appropriate methods. Such records will also allow the determination of the percentage of salvage value and cost of removal for property retired from each class of depreciable plant.

(2) *Depreciation charges.* (i) A separate annual percentage rate for each depreciation category of telecommunications plant shall be used in computing depreciation charges.

(ii) Companies, upon receiving prior approval from this Commission, or, upon prescription by this Commission, shall apply such depreciation rate, except where provisions of paragraph (g)(2)(iv) of this section apply, as will ratably distribute on a straight line basis the difference between the net book cost of a class or subclass of plant and its estimated net salvage during the known or estimated remaining service life of the plant.

(iii) Charges for currently accruing depreciation shall be made monthly to the appropriate depreciation accounts, and corresponding credits shall be made to the appropriate depreciation reserve accounts. Current monthly charges shall normally be computed by the application of one-twelfth of the annual depreciation rate to the monthly average balance of the associated category of plant. The average monthly balance shall be computed using the balance as of the first and last days of the current month.

(iv) In certain circumstances and upon prior approval of this Commission, monthly charges may be determined in total or in part through the use of other methods whereby selected plant balances or portions thereof are ratably distributed over periods prescribed by this Commission. Such circumstances could include but not be limited to factors such as the existence of reserve deficiencies or surpluses, types of plant that will be completely retired in the near future, and changes in the accounting for plant. Where alternative methods have been used in accordance with this subparagraph, such amounts shall be applied separately or in combination with rates determined in accordance with paragraph (g)(2)(ii) of this section.

(3) *Acquired depreciable plant.* When acquired depreciable plant carried in Account 1439, Deferred Charges, is distributed to the appropriate plant accounts, adjusting entries shall be made covering the depreciation charges applicable to such plant for the period during which it was carried in Account 1439.

(4) Plant Retired for Nonrecurring Factors not Recognized in Depreciation Rates.

(i) A retirement will be considered as nonrecurring (extraordinary) only if the following criteria are met:

(A) The impending retirement was not adequately considered in setting past depreciation rates.

(B) The charging of the retirement against the reserve will unduly deplete that reserve.

(C) The retirement is unusual such that similar retirements are not likely to recur in the future.

(5) Upon direction or approval from this Commission, the company shall credit Account 3100, Accumulated Depreciation, and charge Account 1438, Deferred Maintenance and Retirements, with the unprovided-for loss in service value. Such amounts shall be distributed from Account 1438 to Account 6561, Depreciation Expense—Telecommunications Plant in Service, or Account 6562, Depreciation Expense—Property Held for Future Telecommunications Use, over such period as this Commission may direct or approve.

(h) *Amortization accounting.* (1) Unless otherwise provided by this Commission, either through approval or upon prescription by this Commission, amortization shall be computed on the straight-line method, i.e., equal annual amounts shall be applied. The cost of each type asset shall be amortized on the basis the estimated life of that asset and shall not be written off in the accounting period in which the asset is acquired. A reasonable estimate of the useful life may be based on the upper or lower limits even though a fixed existence is not determinable. However, the period of amortization shall not exceed forty years.

(2) In the event any estimated useful life becomes no longer applicable, a revised estimated useful life shall be determined in accordance with paragraph (h)(1) of this sections.

(3) Amortization charges shall be made monthly to the appropriate amortization expense accounts and corresponding credits shall be made to the appropriate amortization reserve accounts. Monthly charges shall be computed by the application of one-twelfth to the annual amortization amount.

(4) The company shall keep such records as will allow the determination of the useful life of the asset.

(i) *Accounting for software.* The original cost of initial operating system software for computers shall be classified to the same account as the associated hardware whether acquired separately or in conjunction with the associated hardware.

(j) Plant Accounts to be Maintained by Class A and Class B telephone companies as indicated:

Account title	Class A account	Class B account
REGULATED PLANT		
Property, plant and equipment:		
Telecommunications plant in service	[1] 2001	[1] 2001
Property held for future telecommunications use	2002	2002
Telecommunications plant under construction—short term	2003	2003
Telecommunications plant under construction—long term	2004	2004
Telecommunications plant adjustment	2005	2005
Nonoperating plant	2006	2006
Goodwill	2007	2007
TELECOMMUNICATIONS PLANT IN SERVICE (TPIS)		
TPIS—General support assets:		
Land and support assets		2110
Land	2111	
Motor vehicles	2112	
Aircraft	2113	
Special purpose vehicles	2114	
Garage work equipment	2115	
Other work equipment	2116	
Buildings	2121	
Furniture	2122	
Office equipment	2123	
General purpose computers	2124	
TPIS—Central Office assets:		
Central Office—Switching		2210
Analog electronic switching	2211	
Digital electronic switching	2212	
Electro-mechanical switching	2215	
Operator systems	2220	2220
Central Office—Transmission		2230
Radio systems	2231	
Circuit equipment	2232	
TPIS—Information origination/termination assets:		
Information origination/termination		2310
Station apparatus	2311	
Customer premises wiring	2321	
Large private branch exchanges	2341	
Public telephone terminal equipment	2351	
Other terminal equipment	2362	
TPIS—Cable and wire facilities assets:		
Cable and wire facilities		2410
Poles	2411	
Aerial cable	2421	
Underground cable	2422	
Buried cable	2423	
Submarine cable	2424	
Deep Sea cable	2425	
Intrabuilding network cable	2426	
Aerial wire	2431	
Conduit systems	2441	
TPIS—Amortizable assets:		
Amortizable tangible assets		2680
Capital leases	2681	
Leasehold improvements	2682	
Intangibles	2690	2690

[1] Balance sheet summary account only.

[51 FR 43499, Dec. 2, 1986, as amended at 52 FR 7580, Mar. 12, 1987; 53 FR 30059, Aug. 10, 1988]

§ 32.2001 Telecommunications plant in service.

This account shall include the original cost of the investment included in Accounts 2110 through 2690.

§ 32.2002 Property held for future telecommunications use.

(a) This account shall include the original cost of property owned and held for no longer than two years under a definite plan for use in telecommunications service. If at the end of two years the property is not in service, the original cost of the property shall be transferred to Account 2006, Nonoperating Plant.

(b) Should a carrier desire to retain the property in this account for a period longer than two years, it shall request approval of this Commission. The request should include the property item in question, demonstrate that the waiver is in the public interest, and indicate, as precisely as possible, the additional time required for the property to be held in this account.

(c) Subsidiary records shall be maintained to show the character of the amounts carried in this account.

§ 32.2003 Telecommunications plant under construction—short term.

(a) This account shall include the original cost of construction projects designed to be completed in one year or less. (Note also § 32.2000(c) of this subpart.)

(b) There may be charged directly to the appropriate plant accounts the cost of any construction project which is estimated to be completed and ready for service within two months from the date on which the project was begun. There may also be charged directly to the plant accounts the cost of any construction project for which the gross additions to plant are estimated to amount to less than $100,000.

(c) When the plant includable in this account is not ready for service at the end of one year, the cost of construction of the plant shall be transferred to Account 2004, Telecommunications Plant Under Construction—Long Term, without further direction or approval of this Commission. If a construction project has been suspended for six months or more, the cost of the plant includable in this account shall be transferred to Account 2004 without further direction or approval of this Commission. If a project is abandoned, the cost included in this account shall be charged to Account 7370, Special Charges.

(d) When any telecommunications plant, the cost of which has been included in this account, is completed ready for service, the cost thereof shall be credited to this account and charged to the appropriate telecommunications plant or other accounts.

§ 32.2004 Telecommunications plant under construction—long term.

(a) This account shall include the original cost of construction projects designed to be completed in more than one year. (Note also § 32.2000(c) of this subpart.)

(b) There may be charged directly to the plant accounts the cost of any construction project for which the gross additions to plant are estimated to amount to less than $100,000.

(c) If a project is abandoned, the cost included in this account shall be charged to Account 7370, Special Charges.

(d) When any telecommunications plant, the cost of which has been included in this account, is completely ready for service, the cost thereof shall be credited to this account and charged to the appropriate telecommunications plant or other accounts.

§ 32.2005 Telecommunications plant adjustment.

(a) This account shall include amounts determined in accordance with § 32.2000(b) of this subpart representing the difference between (1) the fair market value of the telecommunications plant acquired, plus preliminary expenses incurred in connection with the acquisition; and (2) the original cost of such plant, governmental franchises and similar rights acquired, less the amounts of reserve requirements for depreciation and amortization of the property acquired. If the actual original cost is not known, the entries in this account shall be based upon an estimate of such costs.

(b) The amounts recorded in this account with respect to each property acquisition (except land and artworks) shall be disposed of, written off, or provision shall be made for the amortization thereof, as follows:

(1) Debit amounts may be charged to Account 7370, Special Charges, in whole or in part, or amortized over a reasonable period through charges to Account 7360, Other Nonoperating Income, without further direction or approval by this Commission. When specifically approved by this Commission, or when the provisions of paragraph (b)(3) of this section apply, debit amounts shall be amortized to Account 6565, Amortization Expense—Other.

(2) Credit amounts shall be disposed of in such manner as this Commission may approve or direct, except for credit amounts referred to in paragraph (b)(3) of this section.

(3) Within one year from the date of inclusion in this account of a debit or credit amount with respect to a current acquisition, the company may dispose of the total amount from an acquisition of telephone plant by a lump-sum charge or credit, as appropriate, to Account 6565 without further approval of this Commission, provided that such amount does no exceed $100,000 and that the plan was not acquired from an affiliate company.

§ 32.2006 Nonoperating plant.

(a) This account shall include th company's investment in regulate property which is not includable i the plant accounts as operating telecommunications plant. It shall includ the company's investment in telecommunications property held for sale (Note also Account 1406, Nonregulate Investments.)

(b) Subsidiary records shall be maintained to show the character of th amounts carried in this account.

§ 32.2007 Goodwill.

(a) This account shall include an portion of the plant purchase pric that cannot be assigned to specificall identifiable property acquired an such amount should be identified a "goodwill". Such amounts included in this account shall be amortized to Account 7360, Other Nonoperating Income, on a straight line basis over the remaining life of the acquired plant, not to exceed 40 years.

(b) The amounts included in this account shall be maintained to show the nature of each amount.

§ 32.2110 Land and support assests.

This account shall be used by Class B companies to record the original cost of land and support assets of the type and character required of Class A companies in Accounts 2111 through 2124.

§ 32.2111 Land.

(a) This account shall include the original cost of all land held in fee and of easements, and similar rights in land having a term of more than one year used for purposes other than the location of outside plant (see Accounts 2411 through 2441) or externally mounted central office equipment (see Accounts 2211 and 2212). It shall also include special assessments upon land for the construction of public improvements.

(b) When land, together with buildings thereon, is acquired, the original cost shall be fairly apportioned between the land and the buildings and accounted for accordingly. If the plan of acquisition contemplates the removal of buildings, the total cost of the land and buildings shall be accounted for as the cost of the land, and the salvage value of the buildings when disposed of shall be deducted from the cost of the land so determied.

(c) Annual or more frequent payments for use of land shall be recorded in the rent subsidiary record category for Account 6121, Land and Building Expense.

(d) When land is acquired for which there is not a definite plan for its use in telecommunications service, its costs shall be included in Account 2006, Nonoperating Plant.

(e) When land is acquired in excess of that required for telecommunications purposes, the cost of such excess land shall be included in Account 2006.

(f) Installments of assessments for public improvement, including interest, if any, which are deferred without option to the company shall be included in this account only as they become due and payable. Interest on assessments which are not paid when due shall be included in Account 7540, Other Interest Deductions.

(g) When land is purchased for immediate use in a construction project, its cost shall be included in Account 2003, Telecommunications Plant Under Construction—Short Term, or Account 2004, Telecommunications Plant Under Construction—Long Term, as appropriate, until such time as the project involved is completed and ready for service.

(h) The original cost of leaseholds, easements, rights of way, and similar rights in land having a term of more than one year and not includable in Account 2111 shall be included in the accounts for outside plant or externally mounted central office equipment in connection with which the rights were acquired.

§ 32.2112 Motor vehicles.

This account shall include the original cost of motor vehicles of the type which are designed and routinely licensed to operate on public streets and highways.

§ 32.2113 Aircraft.

This account shall include the original cost of aircraft and any associated equipment and furnishings installed as an integral part of the aircraft.

§ 32.2114 Special purpose vehicles.

This account shall include the original cost of special purpose vehicles.

§ 32.2115 Garage work equipment.

This account shall include the original cost of tools and equipment used to maintain items included in Accounts 2112 through 2116.

§ 32.2116 Other work equipment.

This account shall include the original cost of power operated equipment, general purpose tools and other items of work equipment.

§ 32.2121 Buildings.

(a) This account shall include the original cost of buildings, and the cost of all permanent fixtures, machinery, appurtenances and appliances installed as a part thereof. It shall include costs incident to the construction or purchase of a building and to securing possession and title.

(b) When land, together with the buildings thereon, is acquired, the original cost shall be fairly apportioned between the land and buildings, and the amount applicable to the buildings shall be included in this account. The amount applicable to the land shall be included in Account 2111, Land.

(c) This account shall not include the cost of any telephone equipment or wiring apparatus for generating or controlling electricity for operating the telephone system.

§ 32.2122 Furniture.

This account shall include the original cost of furniture in offices, storerooms, shops, and all other quarters. This account shall also include the cost of objects which possess aesthetic value, are of original or limited edition, and do not have a determinable useful life. The cost of any furniture attached to and constituting a part of a building shall be charged to account 2121, Buildings.

§ 32.2123 Office equipment.

(a) This account shall include the original cost of office equipment in offices, shops and all other quarters. The cost of any equipment attached to and constituting a part of a building shall be charged to Account 2121, Buildings.

(b) Office Equipment shall be maintained by the following subaccounts:

2123.1 Office Support Equipment
2123.2 Company Communications Equipment

§ 32.2124 General purpose computers.

(a) This account shall include the original cost of computers and peripheral devices which are designed to perform general administrative information processing activities.

(b) Administrative information processing includes but is not limited to activities such as the preparation of financial, statistical, or other business analytical reports; preparation of payroll, customer bills, and cash management reports, and other records and reports not specifically designed for testing, diagnosis, maintenance or control of the telecommunications network facilities.

(c) This account shall include the original cost of initial operating system software for computers classifiable to this account whether acquired separately or in conjunction with associated hardware.

(d) This account does not include the cost of computers, their associated peripheral devices, and their initial operating system software associated with switching, network signaling, network operations or other specific telecommunications plant. Such computers, peripherals, and software shall be classified to the appropriate switching, network signaling, network expense, or other plant account.

§ 32.2210 Central office-switching.

This account shall be used by Class B companies to record the original cost of switching assets of the type and character required of Class A companies in Accounts 2211 through 2215.

§ 32.2211 Analog electronic switching.

(a) This account shall include the original cost of stored program control analog circuit-switching and associated equipment. This account shall also include the cost of remote analog electronic circuit switches.

(b) Switching plant excludes switchboards which perform an operator assistance function and equipment which is an integral part thereof. It does not exclude equipment used solely for the recording of calling telephone numbers in connection with customer dialed charged traffic, dial tandem switchboards and special service switchboards used in conjunction with private line service; such equipment shall be classified to the particular switch that if serves.

§ 32.2212 Digital electronic switching.

(a) This account shall include the original cost of stored program control digital switches and their associated equipment. Included in this account are digital switches which utilize either dedicated or non-dedicated circuits. This account shall also include the cost of remote digital electronic switches.

(b) Switching plant excludes switchboards which perform an operator assistance function and equipment which is an integral part thereof. It does not exclude equipment used solely for the recording of calling telephone numbers in connection with customer dialed charged traffic, dial tandem switchboards and special service switchboards used in conjunction with private line service; such equipment shall be classified to the particular switch that it serves.

§ 32.2215 Electro-mechanical switching.

(a) This account shall include the original cost of non-electronic circuit-switching equipment. The investment in electro-mechanical switching equipment shall be maintained in the following subaccounts:

2215.1 Step-by-Step Switching
2215.2 Crossbar Switching
2215.3 Other Electro-Mechanical Switching

(b) *2215.1 Step-by-step switching.* This subaccount shall include the original cost of step-by-step and associated circuit-switching equipment.

(c) *2215.2 Crossbar switching.* This subaccount shall include the original cost of crossbar and associated circuit-switching equipment. Also included in this account is the cost of electronic translator system equipment used in switching.

(d) *2215.3 Other Electro-mechanical switching.* This subaccount shall include the original cost of all other types of non-electronic circuit-switching equipment such as panel systems and their associated circuit-switching equipment.

(e) Switching plant excludes switchboards which perform an operator assistance function and equipment which is an integral part thereof. It does not exclude equipment used solely for the recording of calling telephone numbers in connection with customer dialed charged traffic, dial tandem switchboards and special service switchboards used in conjunction with private line service; such equipment shall be classified to the particular switch that it serves.

§ 32.2220 Operator system.

(a) This account shall include the original cost of those items of equipment used to assist subscribers in utilizing the network and equipment used in the provision of directory assistance, call intercept, and other operator assisted call completion activities.

(b) This account does not include equipment used solely for the recording of calling telephone numbers in connection with customer dialed charged traffic, dial tandem switchboards and special service switchboards used in conjunction with private line service; such equipment shall be classfied to the particular switch that it serves.

§ 32.2230 Central office—transmission.

This account shall be used by Class B companies to record the original cost of radio systems and circuit equipment of the type and character required of Class A companies in Accounts 2231 and 2232.

§ 32.2231 Radio system.

(a) This account shall include the original cost of ownership of radio transmitters and receivers. The investment in radio systems shall be maintained in the following subaccounts:

2231.1 Satellite and Earth Station Facilities
2231.2 Other Radio Facilities

(b) *2231.1 Satellite and earth station facilities.* This subaccount shall include the original cost of ownership interest in satellities (including landside spares), other spare parts, material and supplies. It shall include launch insurance and other satellite launch costs. This subaccount shall also include the original cost of earth stations and spare parts, material or supplies therefor.

(c) *2231.2 Other radio facilities.* (1) This subaccount shall include the original cost of radio equipment used to provide radio communication channels. Radio equipment is that equipment which is used for the generation, amplification, propagation, reception, modulation, and demodulation of radio waves in free space over which communication channels can be provided. This subaccount shall also include the associated carrier and auxiliary equipment and patch bay equipment which is an integral part of the radio equipment. Such equipment may be located in central office buildings, terminal rooms, or repeater stations or may be mounted on towers, masts or other supports.

(2) This subaccount shall be maintained in order that the company may separately report the amounts contained herein that relate to cellular radio facilities, non-cellular radio facilities, and terrestrial microwave radio facilities. Such subsidiary record categories shall be reported as required by Part 43 of this Commission's Rules and Regulations.

§ 32.2232 Circuit equipment.

(a) This account shall include the original cost of equipment which is used to reduce the number of physical pairs otherwise required to serve a given number of subscribers by utilizing carrier systems, concentration stages or combinations of both. It shall include equipment that provides for simultaneous use of a number of interoffice channels on a single transmission path. This account shall also include equipment which is used for the amplification, modulation, regeneration, circuit patching, balancing or control of signals transmitted over interoffice communications transmission channels. This account shall include equipment which utilizes the message path to carry signaling information or which utilizes separate channels between switching offices to transmit signaling information independent of the subscribers' communication paths or transmission channels. This account shall also include the original cost of associated material used in the construction of such plant. Circuit equipment may be located in central offices, in manholes, on poles, in cabinets or huts or at other company locations.

(b) This account excludes carrier and auxiliary equipment and patch bays which are includable in Account 2231.2, Other Radio Facilities. This account also excludes such equipment which is an integral component of a major unit which is classifiable to other accounts.

(c) Subsidiary record categories shall be maintained in order that the company may separately report the amounts contained herein that relate to digital and analog. Such subsidiary record categories shall be reported as required by Part 43 of this Commission's Rules and Regulations.

§ 32.2310 Information origination/termination.

This account shall be used by Class B companies to record the original cost of information origination/termination equipment of the type and character required of Class A companies in Accounts 2311 through 2362.

§ 32.2311 Station apparatus.

(a) This account shall include the original cost of station apparatus, including teletypewriter equipment, telephone and miscellaneous equipment, small private branch exchanges and radio equipment (excluding mobile), installed for customer's use. Items included in this account shall remain herein until finally disposed of or until used in such manner as to warrant inclusion in other accounts.

(b) Each company shall prepare a list of station apparatus which shall be used as its list of disposition units for this account, the cost of which when finally disposed of shall be credited to this account and charged to Account 3100, Accumulated Depreciation.

(c) The cost of cross-connection boxes, distributing frames or other distribution points which are installed to terminate intrabuilding network cable shall be charged to Account 2426, Intrabuilding Network Cable.

(d) Operator head sets and transmitters in central offices and at private branch exchanges, and test sets such as those used by wire chiefs, outside plant technicians, and others, shall be included in Account 2116, Other Work Equipment, Account 2221, Operator Systems, or Account 2341, Large Private Branch Exchanges, as appropriate.

(e) Station apparatus for company official use shall be included in Account 2123, Office Equipment.

(f) An annual inventory shall be taken of all station apparatus in stock that are included in this account. The number of such station apparatus items as determined by this inventory, together with the number of all other station apparatus items included in this account, shall be compared with the corresponding number of station apparatus items as shown by the respective control records. The original cost of any unreconciled differences thereby disclosed shall be adjusted through Account 3100, Accumulated Depreciation. Appropriate verifications shall be made at suitable intervals and necessary adjustments between this account and Account 3100 shall be made for all station apparatus included in this account.

(g) Items of station apparatus in stock for which no further use in the ordinary conduct of the business is contemplated, but which as a precautionary measure are held for possible future contingencies instead of being discarded shall be excluded from this account and included in Account 1220, Inventories.

(h) Embedded CPE is that equipment or inventory which was tariffed or otherwise subject to the jurisdictional separations process as of January 1, 1983.

[51 FR 43499, Dec. 2, 1986, as amended at 52 FR 6561, Mar. 4, 1987; 52 FR 39535, Oct. 22, 1987]

§ 32.2321 Customer premises wiring.

(a) This account shall include all amounts transferred from the former Account 232, Station Connections, inside wiring subclass.

(b) Embedded Customer Premises Wiring is that investment in customer premises wiring equipment or inventory which was capitalized prior to October 1, 1984.

[51 FR 43499, Dec. 2, 1986, as amended at 52 FR 6561, Mar. 4, 1987]

§ 32.2341 Large private branch exchanges.

(a) This account shall include the original cost, including the cost of installation, of multiple manual private branch exchanges and of dial system private branch exchanges of types designed to accommodate 100 or more lines or which can normally be expanded to 100 or more lines, installed for customers' use. This account shall also include the original cost of other large installations of station equipment: (1) Which do not constitute stations, (2) which require special or individualized treatment because of their complexity, special design, or other distinctive characteristics, and (3) for which individual or other specialized cost records are appropriate. (Note also Account 2311, Station Apparatus.)

(b) The cost of intrabuilding network cables including their associated cross-connection boxes, terminals, distributing frames, etc., is chargeable to Account 2426, Intrabuilding Network Cable.

(c) The cost of outside plant, whether or not on private property, used with intrabuilding, network cable shall be charged to the appropriate outside plant accounts.

(d) [Reserved]

(e) [Reserved]

(f) Private branch exchanges for company official use shall be included in Account 2123, Office Equipment.

(g) Embedded CPE is that equipment or inventory which is tariffed or otherwise subject to the jurisdictional separations process as of January 1, 1983. Inventories of Large private branch exchanges equipment are included in Account 1220, Inventories.

[51 FR 43499, Dec. 2, 1986, as amended at 52 FR 6562, Mar. 4, 1987; 52 FR 39535, Oct. 22, 1987]

§ 32.2351 Public telephone terminal equipment.

(a) This account shall include the original cost of coinless, coin-operated (including public and semi-public), credit card and pay telephone installed for use by the public.

(b) This account shall also include the original cost of operating spares that are required to provide a continuity of service for public telephones. The operating spares shall not exceed six months supply in terms of turnover and be available to installers from locations in reasonable proximity to the location of the installed equipment.

(c) The original cost of installing public telephone equipment shall not include the labor and minor materials costs of installing the public telephone equipment or premises wiring. These costs as well as the cost of replacing a public telephone shall be charged to Account 6351 Public Telephone Terminal Equipment Expense. The labor and minor materials costs of removal of public telephones will also be charged to Account 6351.

[51 FR 43499, Dec. 2, 1986, as amended at 52 FR 29019, Aug. 5, 1987]

§ 32.2362 Other terminal equipment.

(a) This account shall include the original cost of other Non-CPE terminal equipment not specifically provided for elsewhere and items such as specialized communications equipment provided to meet the needs of the disabled, over-voltage protection equipment, multiplexing equipment to deliver multiple channels to customers, etc.

(b) Each company shall prepare a list of other terminal equipment which shall be used as its list of retirement units for this account, the cost of which when finally disposed of shall be credited to this account and charged to Account 3100, Accumulated Depreciation.

§ 32.2410 Cable and wire facilities.

This account shall be used by Class B companies to record the original cost of cable and wire facilities of the type and character required of Class A companies in Accounts 2411 through 2441.

§ 32.2411 Poles.

This account shall include the original cost of poles, crossarms, guys and other material used in the construction of pole lines and shall include the cost of towers when not associated with buildings. This account shall also include the cost of clearing pole line routes and of tree trimming but shall exclude the cost of maintaining previously cleared routes.

§ 32.2421 Aerial cable.

(a) This account shall include the original cost of aerial cable and of drop and block wires served by such cable or aerial wire as well as the cost of other material used in construction of such plant. Subsidiary record categories, as defined below, are to be maintained for nonmetallic aerial cable and metallic aerial cable.

(1) *Nonmetallic cable.* This subsidiary record category shall include the original cost of optical fiber cable and other associated material used in constructing a physical path for the transmission of telecommunications signals.

(2) *Metallic cable.* This subsidiary record category shall include the original cost of single or paired conductor cable, wire and other associated material used in constructing a physical path for the transmission of telecommunications signals.

(b) The cost of permits and privileges for the construction of cable and wire facilities shall be included in the account chargeable with such construction.

§ 32.2422 Underground cable.

(a) This account shall include the original cost of underground cable installed in conduit and of other material used in the construction of such plant. Subsidiary record categories, as defined below, are to be maintained for nonmetallic underground cable and metallic underground cable.

(1) *Nonmetallic cable.* This subsidiary record category shall include the original cost of optical fiber cable and other associated material used in constructing a physical path for the transmission of telecommunications signals.

(2) *Metallic cable.* This subsidiary record category shall include the original cost of single or paired conductor cable, wire and other associated material used in constructing a physical

path for the transmission of telecommunications signals.

(b) The cost of pumping water out of manholes and of cleaning manholes and ducts in connection with construction work and the cost of permits and privileges for the construction of cable and wire facilities shall be included in the account chargeable with such construction.

(c) The cost of drop and block wires served by underground cable shall be included in Account 2423, Buried Cable.

(d) The cost of cables leading from the main distributing frame or equivalent to central office equipment shall be included in the appropriate switching, transmission or other operations asset account.

§ 32.2423 Buried cable.

(a) This account shall include the original cost of buried cable as well as the cost of other material used in the construction of such plant. This account shall also include the cost of trenching for and burying cable run in conduit not classifiable to Account 2441, Conduit Systems. Subsidiary record categories, as defined below, are to be maintained for nonmetallic buried cable and metallic buried cable.

(1) *Nonmetallic cable.* This subsidiary record category shall include the original cost of optical fiber cable and other associated material used in constructing a physical path for the transmission of telecommunications signals.

(2) *Metallic cable.* This subsidiary record category shall include the original cost of single or paired conductor cable, wire and other associated material used in constructing a physical path for the transmission of telecommunications signals.

(b) The cost of pumping water out of manholes and of cleaning manholes and ducts in connection with construction work and the cost of permits and privileges for the construction of cable and wire facilities shall be included in the account chargeable with such construction.

§ 32.2424 Submarine cable.

(a) This account shall include the original cost of submarine cable and other material used in the construction of such plant. Subsidiary record categories, as defined below, are to be maintained for nonmetallic submarine cable and metallic submarine cable.

(1) *Nonmetallic cable.* This subsidiary record category shall include the original cost of optical fiber cable and other associated material used in constructing a physical path for the transmission of telecommunications signals.

(2) *Metallic cable.* This subsidiary record category shall include the original cost of single or paired conductor cable, wire and other associated material used in constructing a physical path for the transmission of telecommunications signals.

(b) The cost of permits and privileges for the constructon of cable and wire facilities shall be included in the account chargeable with such construction.

§ 32.2425 Deep sea cable.

(a) This account includes the original cost of deep sea cable and other material used in the construction of such plant. Subsidiary record categories, as defined below, are to be maintained for nonmetallic deep sea cable and metallic deep sea cable.

(1) *Nonmetallic cable.* This subsidiary record category shall include the original cost of optical fiber cable and other associated material used in constructing a physical path for the transmission of telecommunications signals.

(2) *Metallic cable.* This subisidary record category shall include the original cost of single or paired conductor cable, wire and other associated material used in constructing a physical path for the transmission of telecommunications signals.

(b) The cost of permits and privileges for the construction of cable and wire facilities shall be included in the account chargeable with such construction.

§ 32.2426 Intrabuilding network cable.

(a) This account shall include the original cost of cables and wires located on the company's side of the demarcation point or standard network interface inside subscribers' buildings or between buildings on one customer's same premises. Intrabuilding network cables are used to distribute network access facilities to equipment rooms, cross-connection or other distribution points at which connection is made with customer premises wiring. Subsidiary record categories, as defined below, are to be maintained for nonmetallic intrabuilding network cable and metallic intrabuilding network cable.

(1) *Nonmetallic cable.* This subsidiary record category shall include the original cost of optical fiber cable and other associated material used in constructing a physical path for the transmission of telecommunications signals.

(2) *Metallic cable.* This subsidiary record category shall include the original cost of single or paired conductor cable, wire and other associated material used in constructing a physical path for the transmission of telecommunications signals.

(b) The cost of pumping water out of manholes and of cleaning manholes and ducts in connection with construction work and the cost of permits and privileges for the construction of cable and wire facilities shall be included in the account chargeable with such construction.

(c) Intrabuilding network cable does not include the cost of cables or wires which are classifiable as network terminating wire, nor the cables or wires from the demarcation point or standard network interface to subscribers' stations.

§ 32.2431 Aerial wire.

(a) This account shall include the original cost of bare line wire and other material used in the construction of such plant.

(b) The cost of permits and privileges for the construction of cable and wire facilities shall be included in the account chargeable with such construction.

(c) The cost of drop and block wires served by aerial wire shall be included in Account 2421, Aerial Cable.

§ 32.2441 Conduit systems.

(a) This account shall include the original cost of conduit, whether underground, in tunnels or on bridges, which is reusable in place. It shall also include the cost of opening trenches and of any repaving necessary in the construction of conduit plant.

(b) The cost of pumping water out of manholes and of cleaning manholes and ducts in connection with construction work and the cost of permits and privileges for the construction of cable and wire facilities shall be included in the account chargeable with such construction.

(c) The cost of protective covering for buried cable shall be charged to Account 2423, Buried Cable, as appropriate, unless such protective covering is reusable in place. The amounts thus charged shall be included in the nonmetallic buried cable or metallic buried cable subsidiary record category, as appropriate.

(d) The cost of pipes or other protective covering for underground drop and block wires shall be inlcuded in Account 2421, Aerial Cable, or Account 2423, Buried Cable, as appropriate. The amounts thus charged shall be included in the nonmetallic or metallic subsidiary record category, as appropriate.

§ 32.2680 Amortizable tangible assets.

This account shall be used by Class B carriers to record amounts for property acquired under capital leases and the original cost of leasehold improvements of the type of character required of Class A companies in Accounts 2681 and 2682.

§ 32.2681 Capital leases.

(a) This account shall include all property acquired under a capital lease. A lease qualifies as a capital lease when one or more of the following criteria is met:

(1) By the end of the lease term, ownership of the leased property is transferred to the leasee.

(2) The lease contains a bargain purchase option.

(3) The lease term is substantially (75% or more) equal to the estimated useful life of the leased property.

However, if the beginning of the lease term falls within the last 25% of the total estimated economic life of the leased property, including earlier years of use, this criterion shall not be used for purposes of classifying the lease.

(4) At the inception of the lease, the present value of the minimum lease payments, excluding that portion of the payments representing executory costs to be paid by the lessor, including any profit thereon, equals or exceeds 90% or more of the fair value of the leased property. However, if the beginning of the lease term falls within the last 25% of the total estimated economic life of the leased property, including earlier years of use, this criterion shall not be used for purposes of classifying the lease.

(b) All other leases are operating leases.

(c) The amounts recorded in this account at the inception of a capital lease shall be equal to the original cost, if known, or to the present value not to exceed fair value, at the beginning of the lease term, of minimum lease payments during the lease term, excluding that portion of the payments representing executory costs to be paid by the lessor, together with any profit thereon.

§ 32.2682 Leasehold improvements.

(a) This account shall include the original cost of leasehold improvements made to telecommunications plant held under a capital or operating lease, which are subject to amortization treatment. This account shall also include those improvements which will revert to the lessor.

(b) Improvements to leased telecommunications plant which are of a relatively minor cost or short life or for which the period of the lease is one year or less shall be charged to the account chargeable with the cost of repairs to such plant.

(c) Amounts contained in this account shall be amortized over the term of the related lease.

§ 32.2690 Intangibles.

(a) This account shall include the cost of organizing and incorporating the company, the original cost of government franchises, the original cost of patent rights, and other intangible property having a life of more than one year and used in connection with the company's telecommunications operations.

(b) Subsidiary records for this account shall include a description of each class of intangible property.

(c) The cost of other intangible assets having a life of one year or less shall be charged directly to Account 6564, Amortization Expense-Intangible. Such intangibles acquired at small cost may also be charged to Account 6564, irrespective of their term of life.

(d) This account shall not include any discounts on securities issued, nor shall it include costs incident to negotiating loans, selling bonds or other evidences of debt, or expenses in connection with the authorization, issuance, sale or resale of capital stock.

(e) When charges are made to this account for expenses incurred in mergers, consolidations, or reorganizations, amounts previously included in this account on the books of the various companies concerned shall not be carried over.

(f) Franchise taxes payable annually or more frequently shall be charged to Account 7240, Operating Other Taxes.

(g) This account shall not include the cost of plant, material and supplies, or equipment furnished to municipalities or other governmental authorities when given other than as initial consideration for franchises or similar rights. (Note also Account 6728, Other General & Administative.).

(h) This account shall not include the original cost of easements, rights of way, and similar rights in land having a term of more than one year. Such amounts shall be recorded in Account 2111, Land, or in the appropriate outside plant account (see Accounts 2411 through 2441), or in the appropriate central office account (see Accounts 2211 through 2232).

§ 32.3000 Instructions for balance sheet accounts—Depreciation and amortization.

(a) Depreciation and Amortization Subsidiary Records:

(1) Subsidiary record categories shall be maintained for each class of depreciable telecommunications plant in Account 3100 for which there is a prescribed depreciation rate. (See also § 32.2000(g)(1)(iii) of this subpart.)

(2) Subsidiary records shall be maintained for Accounts 3400, 3410, 3420, 3500 and 3600 in accordance with § 32.2000(h)(4) of this subpart.

(b) Depreciation and Amortization Accounts to be Maintained by Class A and Class B telephone companies, as indicated:

Account title	Class A account	Class B account
Depreciation and amortization:		
Accumulated depreciation	$3100	3100
Accumulated depreciation—Held for future telecommunications use	3200	3200
Accumulated depreciation—Nonoperating	3300	3300
Accumulated amortization—Tangible		3400
Accumulated amortization—Capitalized leases	3410	
Accumulated amortization—Leasehold improvements	3420	
Accumulated amortization—Intangible	3500	3500
Accumulated amortization—Other	3600	3600

§ 32.3100 Accumulated depreciation.

(a) This account shall include the accumulated depreciation associated with the investment contained in Account 2001, Telecommunications Plant in Service.

(b) This account shall be credited with depreciation amounts concurrently charged to Account 6561, Depreciation Expense—Telecommunications Plant in Service. (Note also Account 3300, Accumulated Depreciation—Nonoperating.)

(c) At the time of retirement of depreciable operating telecommunications plant, this account shall be charged with the original cost of the property retired plus the cost of removal and credited with the salvage value and any insurance proceeds recovered.

(d) This account shall be credited with amounts charged to Account 1438, Deferred Maintenance and Retirements, as provided in § 32.2000(g)(4) of this subpart. This account shall be credited with amounts charged to Account 6561 with respect to other than relatively minor losses in service values suffered through terminations of service when charges for such terminations are made to recover the losses.

§ 32.3200 Accumulated depreciation—held for future telecommunications use.

(a) This account shall include the accumulated depreciation associated with the investment contained in Account 2002, Property Held for Future Telecommunications Use.

(b) This account shall be credited with amounts concurrently charged to Account 6562, Depreciation Expense—Property Held for Future Telecommunications Use.

§ 32.3300 Accumulated depreciation—nonoperating.

(a) This account shall include the accumulated amortization and depreciation associated with the investment contained in Account 2006, Nonoperating Plant.

(b) This account shall be credited with amortization and depreciation amounts concurrently charged to Account 7460, Other Nonoperating Income.

(c) When nonoperating plant not previously used in telecommunications service is disposed of, this account shall be charged with the amount previously credited hereto with respect to such property and the book cost of the property so retired less the amount chargeable to this account and less the value of the salvage recovered or the proceeds from the sale of the property shall be included in Account 7350, Gains or Losses on Disposition of Certain Property. In case the property had been used in telecommunications service previous to its inclusion in Account 2006, Nonoperating Plant, the amount accrued for depreciation thereon after its retirement from telecommunications service shall be charged to this account and credited to Account 3100, Accumulated Depreciation, and the accounting for its retirement from Account 2006 shall be in accordance with that applicable to telecommunications plant retired.

§ 32.3400 Accumulated amortization—tangible.

This account shall be used by Class B companies to record accumulated amortization of the type and charater required of Class A companies in Accounts 3410 and 3420.

§ 32.3410 Accumulated amortization—capitalized leases.

(a) This account shall include the accumulated amortization associated with the investment contained in Account 2681, Capital Leases.

(b) This account shall be credited with amounts for the amortization of capital leases concurrently charged to Account 6563, Amortization Expense—Tangible. (Note also Account 3300, Accumulated Depreciation—Nonoperating.)

(c) When any item carried in Account 2681 is sold, is relinquished, or is otherwise retired from service, this account shall be charged with the cost of the retired item. Remaining amounts associated with the item shall be debited to Account 7160, Other Operating Gains and Losses, or Account 7360, Other Nonoperating Income, as appropriate.

§ 32.3420 Accumulated amortization—leasehold improvements.

(a) This account shall include the accumulated amortization associated with the investment contained in Account 2682, Leasehold Improvements.

(b) This account shall be credited with amounts for the amortization of leasehold improvements concurrently charged to Account 6563, Amortization Expense—Tangible. (Note also Account 3300, Accumulated Depreciation—Nonoperating.)

(c) When any item carried in Account 2682 is sold, is relinquished, or is otherwise retired from service, this account shall be charged with the cost of the retired item. Remaining amounts associated with the item shall be debited to Account 7360, Other Nonoperating Income.

§ 32.3500 Accumulated amortization—intangible.

(a) This account shall include the accumulated amortization associated with the investment contained in Account 2690, Intangibles.

(b) This account shall be credited with amortization amounts concurrently charged to Account 6564, Amortization Expense—Intangible. (Note also Account 3300, Accumulated Depreciation—Nonoperating.)

(c) When any item carried in Account 2690 is sold, relinquished, or otherwise retired from service, this account shall be charged with the cost of the retired item. Remaining amounts associated with the item shall be debited Account 7360, Other Nonoperating Income.

§ 32.3600 Accumulated amortization—other.

(a) This account shall include the accumulated amortization associated with the investment contained in Account 2005, Telecommunications Plant Adjustment.

(b) This account shall be credited with amortization amounts concurrently charged to Account 6565, Amortization Expense—Other. (Note also Account 3300, Accumulated Depreciation—Nonoperating.)

(c) When any item carried in Account 2005 is sold, relinquished, or otherwise retired from service, this account shall be charged with the cost of the retired item. Remaining amounts associated with the item shall be debited Account 7360, Other Nonoperating Income.

§ 32.4000 Instructions for balance sheet accounts—liabilities and stockholders' equity.

Liabilities and Stockholders' Equity Accounts to be Maintained by Class A and Class B telephone companies:

Account title	Class A account	Class B account
Current liabilities:		
Accounts payable	4010	4010
Notes payable	4020	4020
Advance billing and payments	4030	4030
Customer's deposits	4040	4040
Current maturities—long-term debt	4050	4050
Current maturities—capital leases	4060	4060
Income taxes—accrued	4070	4070
Other taxes—accrued	4080	4080
Net Current Deferred Operating Income Taxes	4100	4100

Account title	Class A account	Class B account
Net Current Deferred Nonoperating Income Taxes	4110	4110
Other accrued liabilities	4120	4120
Other current liabilities	4130	4130
Long-term debt:		
Funded debt	4210	4210
Premium on long-term debt	4220	4220
Discount on long-term debt	4230	4230
Reacquired debt	4240	4240
Obligations under capital leases	4250	4250
Advances from affiliated companies	4260	4260
Other long-term debt	4270	4270
Other liabilities and deferred credits:		
Other long-term liabilities	4310	4310
Unamortized operating investment tax credits—net	4320	4320
Unamortized nonoperating investment tax credits—net	4330	4330
Net noncurrent deferred operating income taxes	4340	4340
Net noncurrent deferred nonoperating income taxes	4350	4350
Other deferred credits	4360	4360
Other jurisdictional liabilities and deferred credits—net	4370	4370
Stockholders' equity:		
Capital stock	4510	4510
Additional paid-in capital	4520	4520
Treasury stock	4530	4530
Other capital	4540	4540
Retained earnings	4550	4550

§ 32.4010 Account payable.

(a) This account shall include all amounts currently due to others for recurring trade obligations, and not provided for in other accounts, such as those for traffic settlements, material and supplies, repairs to telecommunications plant, matured rents, and interest payable under monthly settlements on short-term loans, advances, and open accounts. It shall also include amounts of taxes payable that have been withheld from employees' salaries.

(b) Subsidiary record categories shall be maintained for this account in order that the company may separately report the amounts contained herein that relate to nonaffiliates and affiliates. Such subsidiary record categories shall be reported as required by Part 43 of this Commission's Rules and Regulations.

(c) There shall be included herein accounts payable arising from sharing of revenues.

§ 32.4020 Notes payable.

(a) This account shall include the face amount of notes, drafts, and other evidences of indebtedness issued or assumed by the company (except interest coupons) which are payable on demand or not more than one year or less from date of issue.

(b) Subsidiary record categories shall be maintained for this account in order that the company may separately report the amounts contained herein that relate to nonaffiliates and affiliates. Such subsidiary record categories shall be reported as required by Part 43 of this Commission's Rules and Regulations.

(c) If any part of an obligation, otherwise includable in this account matures more than one year from date of issue, it shall be included in Account 4210, Funded Debt, 4260, Advances from Affiliated Companies, or other appropriate account.

(d) The records supporting the entries to this account shall be kept so that the company can furnish complete details as to each note, when it is issued, the consideration received, and when it is payable.

§ 32.4030 Advance billing and payments.

This account shall include the amount of advance billing creditable to revenue accounts in future months; also advance payments made by prospective customers prior to the establishment of service. Amounts included in this account shall be credited to the appropriate revenue accounts in the months in which the service is rendered or cleared from this account as refunds are made.

§ 32.4040 Customers' deposits.

(a) This account shall include the amount of cash deposited with the company by customers as security for the payment for telecommunications service.

(b) Advance payments made by prospective customers prior to the establishment of service shall be credited to Account 4030, Advance Billing and Payments.

§ 32.4050 Current maturities—long-term debt.

This account shall include the amount (including any obligations for premiums) of long-term debt matured and unpaid without any specific agreement for extension of maturity, including unpresented bonds drawn for redemption through the operation of sinking and redemption fund agreements.

§ 32.4060 Current maturities—capital leases.

This account shall include the current portion of obligations applicable to property obtained under capital leases.

§ 32.4070 Income taxes—accrued.

(a) This account shall be credited or charged and the following accounts shall be charged or credited with the offsetting amount of current year income taxes (Federal, state and local) accrued during the period or adjustments to prior accruals:

7220 Operating Federal Income Taxes
7230 Operating State and Local Income Taxes
7420 Nonoperating Federal Income Taxes
7430 Nonoperating State and Local Income Taxes
7630 Current Income Tax Effect of Extraordinary Items—Net

(b) If significant, current year income taxes paid in advance shall be reclassified to Account 1300, Prepaid Taxes.

§ 32.4080 Other taxes—accrued.

(a) This account shall be credited or charged and Account 7240, Operating Other Taxes, or 7440, Nonoperating Other Taxes, or, for payroll related costs, the appropriate expense accounts shall be charged or credited for all taxes, other than Federal, State and local income taxes, accrued or adjusted for previous accruals during the period. Among the taxes includable in this account are property, gross receipts, franchise, capital stock, social security and unemployment taxes.

(b) Taxes paid in advance of the period in which they are chargeable to income shall be included in the prepaid taxes Account 1300, Prepaid Taxes, or 1410, Other Noncurrent Assets, as appropriate.

§ 32.4100 Net current deferred operating income taxes.

(a) This account shall include the balance of income tax expense related to current items from regulated operations which have been deferred to later periods as a result of the normalized method of accounting for tax differentials authorized by this Commission and not provided for elsewhere.

(b) As regulated assets or liabilities which generated the deferred income tax are reclassified from long-term or noncurrent status to current, the appropriate deferred income tax shall be reclassified from Account 4340, Net Noncurrent Deferred Operating Income Taxes, to this account.

(c) This account shall be debited or credited with the amount being debited or credited to Account 7250, Provision For Deferred Operating Income Taxes—Net, in accordance with that account's description and § 32.22 of Subpart B.

(d) The classification of deferred income taxes as current or noncurrent shall follow the classification of the asset or liability that gave rise to the deferred income tax. If there is no related asset or liability, classification shall be based on the expected turnaround of the tax timing difference.

(e) Subsidiary record categories shall be maintained in order that the company may separately report the amounts contained herein that are property related and those that are nonproperty related. Such subsidiary record categories shall be reported as required by Part 43 of this Commission's Rules and Regulations.

§ 32.4110 Net current deferred nonoperating income taxes.

(a) This account shall include the balance of income tax expense resulting from comprehensive interpreted tax allocation which has been deferred to later periods.

(b) As other assets or liabilities which generated the deferred income tax are reclassified from long-term or noncurrent status to current, the appropriate deferred income tax shall be reclassified from Account 4350, Net Noncurrent Deferred Nonoperating Income Taxes, to this account.

(c) This account shall be debited or credited with the amount being credited or debited to Account 7450, Provision For Deferred Nonoperating Income Taxes—Net, in accordance with that account's description and § 32.22 of Subpart B.

(d) This account shall also include the balance of the income taxes (Federal, state and local) related to current extraordinary items which have been deferred to later periods resulting from comprehensive interperiod tax allocation.

(e) As the extraordinary item which generated the deferred income tax becomes current, the appropriate deferred income tax shall be reclassified from Account 4350, Net Noncurrent Deferred Nonoperating Income Taxes, to this account.

(f) This account shall be debited or credited with the amount being credited and debited to Account 7640, Provision for Deferred Income Tax Effect of Extraordinary Items—Net.

(g) The classification of deferred income taxes as current or noncurrent shall follow the classification of the asset or liability that gave rise to the deferred income tax. If there is no related asset or liability, classification shall be based on the expected turnaround.

(h) Subsidiary record categories shall be maintained in order that the company may separately report the amounts contained herein that are property related and those that are nonproperty related. Such subsidiary record categories shall be reported as required by Part 43 of this Commission's Rules and Regulations.

§ 32.4120 Other accrued liabilities.

(a) This account shall include the amount of wages, compensated absences, interest on indebtedness of the company, dividends on capital stock, and rents accrued to the date for which the balance sheet is made, but not payable until after that date.

(b) This account shall be maintained so as to show separately the amount and nature of the items accrued to the date of the balance sheet.

(c) Matured rents, dividends and interest shall be included in Account 4010, Accounts Payable.

(d) Interest payable under monthly settlements on short-term loans, advances, and open accounts shall be included in Account 4010.

§ 32.4130 Other current liabilities.

This account shall include liabilities of current character which are not includable in Accounts 4010 through 4120.

§ 32.4210 Funded debt.

(a) This account shall include the total face amount of unmatured debt, maturing more than one year from date of issue, issued by the company and not retired, and the total face amount of similar unmatured debt of other companies, the payment of which has been assumed by the company, including funded debt the maturity of which has been extended by specific agreement.

(b) This account shall include such items as mortgage bonds, collateral trust bonds, income bonds, convertible debt, debt securities with detachable warrants and other similar obligations maturing more than one year from date of issue.

(c) In the case of debt securities with detachable warrants this account shall include only the face amount of the security at the time of issuance. The value of detachable warrants shall be charged to either Account 4220, Premium on Long-Term Debt, or Account 4230, Discount on Long-Term Debt, as appropriate, and credited to Account 4520, Additional Paid-in Capital, in the case of capital stock warrants or retained in this account as a separately identifiable amount in the case of detachable long-term debt warrants. No similar allocation shall be made for the issuance of either convertible debt or debt securities with non-detachable warrants.

(d) Subsidiary records shall be maintained for each issue.

(e) Securities maturing in one year or less, including securities maturing serially, shall be included in Account 4050, Current Maturities—Long-Term Debt.

(f) Investment advances, including those represented by notes, shall be included in Account 4270, Other Long-Term Debt.

§ 32.4220 Premium on long-term debt.

(a) This account shall include the premium associated with all classes of long-term debt. Premium, as applied to securities issued or assumed by the company, means the excess of the current money value received at their sale over the sum of their book or face amount and interest or dividends accrued at the date of the sale.

(b) Amounts included in this account shall be amortized monthly by the interest method and credited to Account 7510, Interest on Funded Debt. (Note also § 32.4210(c) of this subpart.)

(c) Subsidiary records shall be maintained to identify the premium attributable to each issue.

§ 32.4230 Discount on long-term debt.

(a) This account shall include the discount associated with all classes of long-term debt. Discount, as applied to securities issued or assumed by the company, means the excess of the book or face amount of the securities plus interest or dividends accrued at the date of the sale over the current money value of the consideration received at their sale.

(b) Amounts included in this account shall be amortized monthly by the interest method and charged to Account 7510, Interest On Funded Debt. (Note also § 32.4210(c) of this subpart.)

(c) Subsidiary records shall be maintained to identify the discount attributable to each issue.

§ 32.4240 Reacquired debt.

This account shall include the face amount of debt reacquired prior to maturity that has not been retired. Gain or loss shall be recognized at the time of reacquisition by credits or charges to Account 7360, Other Nonoperating Income, except that material gains or losses shall be treated as extraordinary. (See Accounts 7610, Extraordinary Income Credits, and 7620, Extraordinary Income Charges.)

§ 32.4250 Obligations under capital leases.

(a) This account shall include the noncurrent portion of obligations applicable to property obtained under capital leases.

(b) Amounts subject to current settlement shall be included in Account 4060, Current Maturities—Capital Leases.

§ 32.4260 Advances from affiliated companies.

(a) This account shall include the amount of advance from affiliated companies.

(b) Amounts due affiliated companies which are subject to current settlement shall be included in Account 4010 or 4020, as appropriate.

§ 32.4270 Other long-term debt.

This account shall include long-term debt not provided for elsewhere.

§ 32.4310 Other long-term liabilities.

(a) This account shall include amounts accrued to provide for such items as unfunded pensions (if actuarially determined), death benefits, deferred compensation costs and other long-term liabilities not provided for elsewhere.

(b) Subsidiary records shall be maintained to identify the nature of the items included herein.

§ 32.4320 Unamortized operating investment tax credits—net.

(a) This account shall be credited and Account 7210, Operating Investment Tax Credits—Net, should be debited with investment tax credits generated from qualified expenditures related to regulated operations which the company defers rather than recognizes currently in income.

(b) This account shall be debited and Account 7210 credited with a proportionate amount determined in relation to the period of time used for computing book depreciation on the property to which the tax credit relates.

§ 32.4330 Unamortized nonoperating investment tax credits—net.

(a) This account shall be credited and Account 7410, Nonoperating Investment Tax Credits—Net, shall be debited with investment tax credits generated from qualified expenditures related to other operations which the company has elected to defer rather than recognize currently in income.

(b) This account shall be debited and Account 7410 credited with a proportionate amount determined in relation to the useful book life of the property to which the tax credit relates.

§ 32.4340 Net noncurrent deferred operating income taxes.

(a) This account shall include the balance of income tax expense related to noncurrent items from regulated operations which have been deferred to later periods as a result of comprehensive interperiod tax allocation related to timing differences that arise from regulated operations.

(b) This account shall be credited or debited, as appropriate, and Account 7250, Provision for Deferred Operating Income Taxes—Net, shall reflect the offset for the tax effect of revenues and expenses from regulated operations which have been included in the determination of taxable income, but which will not be included in the determination of book income or for the tax effect of revenues and expenses from regulated operations which have been included in the determination of book income prior to the inclusion in the determination of taxable income.

(c) As regulated assets or liabilities which generated the prepaid income tax or deferred income tax are reclassified from long-term or noncurrent status to current status, the appropriate deferred income tax shall be reclassified from this account to Account 4100, Net Current Deferred Operating Income Taxes.

(d) The classification of deferred income taxes as current or noncurrent shall follow the classification of the asset or liability that gave rise to the deferred income tax. If there is no related asset or liability, classification shall be based on the expected turnaround of the tax timing difference.

(e) Subsidiary record categories shall be maintained in order that the company may separately report the amounts contained herein that are property related and those that are nonproperty related. Such subsidiary record categories shall be reported as required by Part 43 of this Commission's Rules and Regulations.

§ 32.4350 Net noncurrent deferred nonoperating income taxes.

(a) This account shall include the balance of income tax expense (Federal, state and local) that has been deferred to later periods as a result of comprehensive interperiod allocation related to nonoperating timing differences.

(b) This account shall be credited or debited, as appropriate, and Account 7450, Provision for Deferred Nonoperating Income Taxes—Net, shall reflect the offset for the tax effect of revenues from other operations and extraordinary items and nonoperating expenses which have been included in the determination of taxable income, but which will not be included in the determination of book income or for the tax effect of nonoperating expenses and extraordinary items and nonoperating income which have been included in the determination of book income prior to the inclusion in the determination of taxable income.

(c) As other assets or liabilities which generated the prepaid income tax or deferred income tax are reclassified from long-term or non-current status to current status, the appropriate deferred income tax shall be reclassified from this account to account 4110, Net Current Deferred Nonoperating Income Taxes.

(d) This account shall also include the balance of the income tax effect (Federal, State and local) related to noncurrent extraordinary items which have been included in the determination of taxable income in a period different from when it is included in the determination of book income, that is, more than one year.

(e) This account shall be charged or credited with the contra amount recorded to Account 7640, Provision for Deferred Income Tax Effect of Extraordinary Items—Net, in accordance with § 32.22 of Subpart B.

(f) As the extraordinary item which generated the deferred income tax becomes current, the appropriate deferred income tax shall be reclassified from this account to Account 4110, Net Current Deferred Nonoperating Income Taxes.

(g) The classification of deferred income taxes as current or noncurrent shall follow the classification of the asset or liability that gave rise to the deferred income tax. If there is no related asset or liability, classification shall be based on the expected turnaround of the tax timing difference.

(h) Subsidiary record categories shall be maintained in order that the company may separately report the amounts contained herein that are property related and those that are nonproperty related. Such subsidiary record categories shall be reported as required by Part 43 of this Commission's Rules and Regulations.

§ 32.4360 Other deferred credits.

This account shall include the amount of all deferred credits not provided for elsewhere, such as amounts awaiting adjustment between accounts; and revenue, expense, and income items in suspense.

§ 32.4370 Other jurisdictional liabilities and deferred credits—net.

This account shall include the cumulative impact on liabilities and deferred credits of the jurisdictional ratemaking practices which vary from those of this Commission. All entries recorded in this account shall be recorded net of any applicable income tax effects and shall be supported by appropriate subsidiary records where necessary as provided for in § 32.13 of Subpart B.

§ 32.4510 Capital stock.

(a) This account shall include the par value, stated amount, or in the case of no-par stock, the amount received for capital stock issued and outstanding.

(b) Subsidiary records shall be maintained so as to show separately each class of stock.

(c) This account shall be charged with the book amount of any stock retired.

§ 32.4520 Additional paid-in capital.

(a) This account shall include the difference between the net proceeds (including discount, premium and stock issuance expense) received from the issuance of capital stock and the amount includable in Account 4510, Capital Stock, unless such difference results in a debit balance for that class of stock, in which case the amount shall be charged to Account 4550, Retained Earnings.

(b) This account shall also include gains arising from the retirement and cancellation of capital stock. Losses from the retirement and cancellation of capital stock shall be charged to this account to the extent that there exist credits in this account for the same class of stock; otherwise to Account 4550.

§ 32.4530 Treasury stock.

This account shall include the cost of the company's own capital stock which has been issued and subsequently reacquired but not retired or resold.

§ 32.4540 Other capital.

This account shall include amounts which are credits arising from the donation by stockholders of the company's capital stock, capital recorded upon the reogranization or recapitalization of the company and temporary declines in the value of marketable securities held for investment purposes. (See also Account 1401 Investment in Affiliated Companies.)

§ 32.4550 Retained earnings.

(a) This account shall include the undistributed balance of retained earnings derived from the operations of the company and from all other transactions not includable in the other accounts appropriate for inclusion of stockholders' equity.

(b) Subsidiary records shall be maintained wherein are recorded all entries to retained earnings during the year such that the detail of the entries may be disclosed to the Commission.

Subpart D—Instructions For Revenue Accounts

§ 32.4999 General.

(a) *Purpose of revenue accounts.* The revenue accounts are intended to include the actual cash inflows (or equivalents) that have or will occur as a result of the company's ongoing major or central operations during the period. They will include the revenues which arise from furnishing regulated telecommunications services to others, from directory advertising, rentals of telecommunications assets and from providing other services which are directly associated with the provision of regulated telecommunications services.

(b) *Deductions from revenue.* Corrections of overcharges, authorized refunds of overcollections previously credited to revenue, authorized refunds and adjustments on account of failure in service, and other corrections shall be charged to the revenue account previously credited with the amounts involved.

(c) *Commissions.* Commissions paid to others or employees in place of compensation or salaries for services rendered, such as public telephone commissions, shall be charged to Account 6623, Customer Services, and not to the revenue accounts. Other commissions shall be charged to the appropriate expense accounts.

(d) *Revenue recognition.* Credits shall be made to the appropriate revenue accounts when such revenue is actually earned. When the billing cycle encompasses more than one accounting period, adjustments are necessary to properly recognize the revenue applicable to the current accounting period under report. Revenues recorded under the terms of two-tier contracts or other variable payment plans should be deferred, if necessary, and recognized ratably with expenses over the terms of the related contract. Any amounts deferred shall be credited to Account 4360, Other Deferred Credits.

(e) *Contractual arrangements.* Charges and credits resulting from activities associated with the provisions of regulated telecommunications services shall be recorded in a manner consistent with the nature of the underying contractual arrangements. The charges and credits resulting from expense sharing or apportionment arrangements associated with the provision of regulated telecommunications services shall be recorded in the detailed regulated accounts. Charges and credits resulting from revenue settlement agreements or other revenue pooling arrangements associated with the provision of regulated telecommunications services shall be included in the appropriate revenue accounts. Those charges and credits resulting from contractual revenue pooling and/or sharing agreements shall be recorded in each prescribed revenue account and prescribed subsidiary record categories thereof to the extent that each is separately identifiable in the settlement process. It is not intended that settlement amounts be allocated or generally spread to the individual revenue accounts where they are not separately identifiable in the settlement process. When the settlement amounts are not identifiable by a revenue account they shall be recorded in Account 5069, Other Local Exchange Revenue Settlements, 5129, Other Long Distance Private Network Revenue Settlements, 5169, Other Long Distance Revenue Settlements, or 5269, Other Revenue Settlements, as appropriate.

(f) *Subsidiary records—jurisdictional subdivisions.* (1) Subsidiary record categories shall be maintained in order that the company may separately report revenues derived from charges imposed under intrastate, interstate and international tariff filings. Such subsidiary record categories shall be reported as required by Part 43 of this Commission's Rules and Regulations.

(2) This jurisdictional subsidary record requirement applies to all accounts except the Network Access Services Group where separate accounts have been established for Federal and state access revenues.

(g) *Structure of revenue accounts.* (1) The revenue section of the system of accounts shall be organized by revenue group summary account, account and subsidiary record category (if required).

(2) The revenue section of this system of accounts shall be comprised of five major groups—Local Network

Services Revenues, Network Access Services Revenues, Long Distance Network Services Revenues, Miscellaneous Revenues, and Uncollectible Revenues, which shall be considered as a revenue group for the purposes of the construction of the system.

(3) Summary accounts within revenue groups shall be used to describe aggregations of two or more accounts having a certain commonality. Summary accounts are assigned numbers so that they may be used by Class A telephone companies to aggregate accounts for reporting purposes; and, as specifically directed, so that they may be used as accounts by Class B telephone companies.

(4) Accounts shall be maintained as prescribed in this Section subject to the conditions described in Section 32.13 of Subpart B. In certain instances, subsidiary record categories may be required below the account level by this system of accounts or by Commission order.

(h) *Local Network Services revenues.* Local Network Services revenues (Accounts 5000–5069) shall include revenues derived from the provision of service and equipment entirely within the basic service area. That area is defined as the normal boundaries for local calling plus Extended Area Service (EAS) boundaries as they apply to that service. It includes revenues derived from both local private network service and local public network services as well as from customer premises facilities services. Local revenues include associated charges such as one-time service connection or termination charges and secondary features such as call waiting.

(i) *Network Access revenues.* (1) Network Access revenues (Accounts 5080–5084) shall include revenues derived from the provision of exchange access services to an interexchange carrier or to an end user of telecommunications services beyond the exchange carrier's network.

(2) Billing and collections service provided under exchange access tariffs shall be included in the Miscellaneous Revenues Group.

(j) *Long Distance Network Service revenues.* Long Distance Network Service revenues shall include revenues derived from the provision of services beyond the basic service area, whether message or flat-rate and including public network switching as well as private.

(k) *Miscellaneous revenues.* Miscellaneous revenues are those revenues derived from the provision of regulated products and services provided under tariff or contract but not contained elsewhere. They shall also include operating revenue derived from activities performed incident to the company's tariffed telecommunications operations which, though non-tariffed, are included in the regulatory process.

(l) *Nonregulated revenues.* The nonregulated revenue account shall be used for nonregulated operating revenues when a nonregulated activity involves the common or joint use of assets or resources in the provision of regulated and nonregulated products or services and when such activity is accounted for, as required in §32.23(c) of this subpart, within the accounts prescribed in this system for telephone company operations. Revenues from nontariffed activities offered incidental to tariffed services may be accounted for as regulated revenues, provided the activities are outgrowths of regulated operations and the revenues do not exceed, in the aggregate, one percent of total revenues for three consecutive years. Such activities must be listed in the Commission-approved Cost Allocation Manual for any company required to file a Cost Allocation Manual.

(m) *Uncollectible revenues.* Uncollectible revenues shall include amounts originally credited to the revenue accounts which have proved impracticable of collection.

(n) *Revenue accounts to be maintained.*

Account title	Class A account	Class B account
Local Network Services Revenues:		
Basic local service revenue	[1] 5000	5000
Basic area revenue	5001	....
Optional extended area revenue	5002	....
Cellular mobile revenue	5003	....
Other mobile services revenue	5004	....
Public telephone revenue	5010	....
Local private line revenue	5040	....
Customer premises revenue	5050	....
Other local exchange revenue	5060	....

Account title	Class A account	Class B account
Other local exchange revenue settlements	5069	
Network Access Services Revenues:		
Network access revenue	[1] 5080	5080
End user revenue	5081	5081
Switched access revenue	5082	5082
Special access revenue	5083	5083
State access revenue	5084	5084
Long Distance Network Services Revenues:		
Long distance message revenue	5100	5100
Unidirectional long distance revenue	[1] 5110	
Long distance inward-only revenue	5111	
Long distance outward-only revenue	5112	
Long distance private network revenue	[1] 5120	
Subvoice grade long distance private network revenue	5121	
Voice grade long distance private network revenue	5122	
Audio program grade long distance private network revenue	5123	
Video program grade long distance private network revenue	5124	
Digital transmission long distance private network revenue	5125	
Long distance private network switching revenue	5126	
Other long distance private network revenue	5128	
Other long distance private network revenue settlements	5129	
Other long distance revenue	5160	
Other long distance revenue settlements	5169	
Miscellaneous Revenues:		
Miscellaneous revenue		5200
Directory revenue	5230	
Rent revenue	5240	
Corporate operations revenue	5250	
Miscellaneous revenue	[1] 5260	
Special billing arrangements revenue	5261	
Customer operations revenue	5262	
Plant operations revenue	5263	
Other incidental regulated revenue	5264	
Other revenue settlements	5269	
Carrier billing and collection revenue	5270	
Nonregulated Revenues:		
Nonregulated operating revenue	5280	5280
Uncollectible Revenues:		
Uncollectible revenue	[1] 5300	5300
Uncollectible revenue—Telecommunications	5301	
Uncollectible revenue—Other	5302	

[1] To be used by Class A telephone companies to summarize accounts for reporting purposes.

[51 FR 43499, Dec. 2, 1986, as amended at 53 FR 49322, Dec. 7, 1988]

§ 32.5000 Basic local service revenue.

This account number shall be used by Class A telephone companies to summarize for reporting purposes the contents of Accounts 5001 through 5004. Class B telephone companies shall use this account for revenues of the type and character required of Class A companies in Accounts 5001 through 5069.

§ 32.5001 Basic area revenue.

(a) This account shall include revenue derived from the provision of basic area message services such as flat rate services and measured services. Included is revenue derived from non-optional extended area services. Also included is revenue derived from the billed or guaranteed portion of semi-public services.

(b) Revenue derived from charges for nonpublished number or additional and boldfaced listings in the alphabetical section of the company's telephone directories shall be included in Account 5230, Directory Revenue.

§ 32.5002 Optional extended area revenue.

This account shall include total revenue derived from the provision of optional extended area service.

§ 32.5003 Cellular mobile revenue.

This account shall include message revenue derived from cellular mobile telecommunications systems connected to the public switched network placed between mobile units and other stations within the mobile service area.

§ 32.5004 Other mobile services revenue.

(a) This account shall include message revenue derived from general radio telecommunications systems connected to the public switched network placed between mobile units and other stations within the mobile service area, as well as revenue from mobile radio paging, mobile dispatching, and signaling services.

(b) Revenue from private mobile telephone services which do not have access to the public switched network shall be included in Account 5264, Other Incidental Regulated Revenue.

§ 32.5010 Public telephone revenue.

This account shall include message revenue (e.g., coin paid) and other revenue derived from public and semipublic telephone services provided within the basic service area.

§ 32.5040 Local private line revenue.

This account shall include revenue derived from local services that involve dedicated circuits, private switching arrangements, and/or predefined transmission paths, whether virtual or physical, which provide communications between specific locations (e.g., point-to-point communications. It includes revenue from subvoice grade, voice grade, audio and video program grade, digital transmission and local private network switching as well as the revenue from administrative and operational support services associated with private network services and facilities, e.g., charges for company-directed testing, expedited installation, and service restoration priority.

§ 32.5050 Customer premises revenue.

This account shall include revenue derived from tariffed information origination/termination plant. Included is revenue derived from the provision under leasing arrangements of tariffed customer premises equipment (CPE), terminal equipment, station apparatus and large private branch exchanges as well as tariffed nonrecurring charges related solely to station apparatus. Also included are all tariffed charges for customer premises activities and facilities not related solely to station apparatus.

§ 32.5060 Other local exchange revenue.

This account shall include revenue from the provision of secondary features which are integrated with the telecommunications network such as call forwarding, call waiting and touch-tone line service. Also included is revenue derived from the provision of public announcement and other record message services, directory assistance and other call competition services (excluding operator assisted basic long distance calls), as well as revenue derived from central office related service connection and termination charges, and other non-premise customer specific charges associated with public network services. This account shall also include local revenue not provided for in other accounts.

§ 32.5069 Other local exchange revenue settlements.

This account shall include the charges and credits resulting from contractual revenue pooling and/or sharing agreements for tariffed local network services only when they are not separately identifiable by local network services revenue accounts in the settlement process. (See also § 32.4999(e) of this subpart. To the extent that the charges and credits resulting from a settlement process can be identified by Local Network Services Revenue account they shall be recorded in the applicable account.

§ 32.5080 Network access revenue.

(a) This account number shall be used by Class A and Class B telephone companies to summarize for reporting purposes the contents of Accounts 5081 through 5084. It shall include revenue derived from the provision of exchange access services to an interexchange carrier or to an end user of telecommunications services beyond the exchange carrier's network.

(b) Accounts 5081 through 5083 are for federally tariffed access charges while Account 5084 is to be used for state tariffed access charges.

§ 32.5081 End user revenue.

This account shall contain the federally tariffed monthly flat rate charge assessed upon end users.

§ 32.5082 Switched access revenue.

(a) This account shall consist of federally tariffed charges assessed to interexchange carriers for access to local exchange facilities.

(b) Subsidiary record categories shall be maintained in order that the company may separately report the amounts contained herein that relate to limited pay telephone, carrier common line, line termination, local switching, intercept, information, common transport and dedicated transport. Such subsidiary record categories shall be reported as required by Part 43 of this Commission's Rules and Regulations.

§ 32.5083 Special access revenue.

(a) This account shall include all federally tariffed charges assessed for other than end user or switched access charges referred to in Account 5081, End User Revenue, and Account 5082, Switched Access Revenue.

(b) Subsidiary record categories shall be maintained in order that the company may separately report the amounts contained herein that relate to recurring charges, nonrecurring charges and surcharges. Such subsidiary record categories shall be reported as required by Part 43 of this Commission's Rules and Regulations.

§ 32.5084 State access revenue.

(a) This account shall include all state tariffed charges assessed by local exchange carriers upon interexchange carriers and end users for access to the local exchange network for intrastate telecommunications.

(b) Billing and collections services provided under exchange access tariffs shall be included in Account 5270, Carrier Billing and Collection Revenue.

§ 32.5100 Long distance message revenue.

(a) This account shall be used by Class A telephone companies for revenue derived from message services that terminate beyond the basic service area of the originating wire center and are individually prices. This includes those message services which utilize the public long distance switching network and the basic subscriber access line. (See also Account 5111, Long Distance Inward-Only Revenue, and Account 5112, Long Distance-Outward Only Revenue.) It also includes those long distance calls placed from mobile and public telephones, as well as any charges for operator assistance or special billing directly related to the completion of a specific call. This account shall also include revenue derived from individually priced message services offered under calling plans (discounted long distance) which do not utilize dedicated access lines, as well as those priced at the basic long distance rates where a discounted toll charge is on a per message basis. Any revenue derived from monthly or one-time charges for obtaining calling plan services shall be included in this account.

(b) Class B telephone companies shall use this account for revenues of the type and character required of Class A companies in Accounts 5100 through 5169.

§ 32.5110 Unidirectional long distance revenue.

This account number shall be used by Class A telephone companies to summarize for reporting purposes the contents of Accounts 5111 and 5112. It shall include revenue derived from long distance services which permit unidirectional calls to a subscriber from specified service areas or which permit the subscriber to place telephone calls from one location to other specified services areas. It shall also include revenue derived from toll calling plans which embody flat-rate or measured time toll service. (See also Account 5100, Long Distance Message Revenue.

§ 32.5111 Long distance inward-only revenue.

This account shall include the revenue derived from long distance services which permit unidirectional calls to a subscriber from specified services areas (multipoint-to-point service). These calls require the use of dedicated access lines connecting a subscriber's premises and a designated central office. These dedicated access lines are generally separate from those required for the subscriber to place outward calls. The call is billed to the subscriber even though it is generally initiated by the subscriber's customer or correspondent.

§ 32.5112 Long distance outward-only revenue.

This account shall include revenue derived from long distance services which permit the subscriber to place telephone calls from one location to other specified service areas (point-to-multipoint service). These calls are completed without operator assistance and require the use of a dedicated access line. The dedicated access line is generally separate from those required for inward message services and cannot be used to place calls within the basic service area or calls outside the selected service areas. Outward calls are screened and blocked to determine whether the calls are within an authorized service area.

§ 32.5120 Long distance private network revenue.

(a) This account number shall be used by Class A telephone companies to summarize for reporting purposes the contents of Accounts 5121 through 5129. It shall include revenue derived from services extending beyond the basic service area that involve dedicated circuits, private switching arrangements, and/or predefined transmission paths, whether virtual or physical, which provide communications between specific locations (e.g., point-to-point communications).

(b) Service connection charges, termination charges, rearrangements and changes, etc., shall be included in each account to which they apply. Revenue derived from associated administrative and operational support services shall be included in Account 5128, Other Long Distance Private Network Revenue.

§ 32.5121 Subvoice grade long distance private network revenue.

This account which consists of revenue from narrow-band analog private network circuits and facilities furnished exclusively for record forms of communications, such as teletypewriter, teletypesetter, telewriter, ticker, Morse, signaling, remote metering, and supervisory services.

§ 32.5122 Voice grade long distance private network revenue.

This account consists of revenue from private network circuits and facilities (including multipurpose wideband) which provide voice grade services for the transmission of analog signals. It includes revenue from services such as voice, data and telephoto communication, as well as remote metering, supervisory control, miscellaneous signaling and channels furnished for the purpose of extending customer—provided communications systems. It includes revenue from the provision of facilities between customer premises and (a) a serving office, (b) a carrier distribution point or (c) an extension distribution channel, except when furnished as a subscriber access line under an unidirectional long distance service (in which case the revenue should be included in Account 5111, Long Distance Inward-Only Revenue, or Account 5112, Long Distance Outward-Only Revenue.

§ 32.5123 Audio program grade long distance private network revenue.

(a) This account consists of revenue from private network circuits and facilities furnished for audio program transmission purposes, such as radio broadcasting, sound recording (wired music) and loud speaker services. It includes revenue from the provision of facilities for the transmission of analog signals between customer premises and (1) a serving office, (2) a carrier distribution point or (3) an extension distribution channel furnished in connection with such services. It also includes revenue from facilities furnished to carry the audio portion of a television program if furnished under separate audio rates.

(b) If the rate for television program services includes both the picture and sound portion of the transmission, the revenue shall be included in Account 5124, Video Program Grade Long Distance Private Network Revenue.

§ 32.5124 Video program grade long distance private network revenue.

This account consists of revenue from private network circuits and facilities furnished for television program transmission purposes, such as commercial broadcast and educational or private television services. It includes revenue from the provision of facilities for the transmission of analog signals between customer premises and (a) a serving office, (b) a carrier distribution point or (c) an extension distribution channel furnished in connection with such services. It also includes revenue from both the picture and sound portions of transmission for television program service when provided under a combined rate schedule.

§ 32.5125 Digital transmission long distance private network revenue.

This account consists of revenue from the provision of circuits and facilities for the transmission of digital signals only.

§ 32.5126 Long distance private network switching revenue.

This account consists of revenue derived from the provision of common user channels and switching capabilities used for the transmission of telecommunication signals between three (3) or more points in the network. Also included is revenue derived from the provision of basic switching and transfer arrangements used to connect private line channels.

§ 32.5128 Other long distance private network revenue.

This account consists of revenue from administrative and operation support services associated with private network services and facilities, e.g., charges for company-directed testing, expedited installation, and service restoration priority. Also included is other private network services revenue not provided for in other accounts.

§ 32.5129 Other long distance private network revenue settlements.

This account shall include the charges and credits resulting from contractual revenue pooling and/or sharing agreements for tariffed long distance private network services only when they are not identifiable by private network services revenue account in the settlement process. (See also § 32.4999(e) of this subpart.) To the extent that the charges and credits resulting from a settlement process can be identified by private network services revenue account, they shall be recorded in the applicable account.

§ 32.5160 Other long distance revenue.

This account shall include long distance revenues not provided for elsewhere.

§ 32.5169 Other long distance revenue settlements.

This account shall include the charges and credits resulting from contractual revenue pooling and/or sharing agreements for tariffed long distances public network services only when they are not identifable by long distance public network services revenue accounts in the settlement process. (See also § 32.4999(e) of this subpart.) To the extent that the charges and credits resulting from a settlement process can be identified by long distance public network services revenue account they shall be recorded in the applicable account.

§ 32.5200 Miscellaneous revenue.

Class B telephone companies shall use this account for revenues of the type and character required of Class A companies in Accounts 5230 through 5270.

§ 32.5230 Directory revenue.

This account shall include revenue derived from alphabetical and classified sections of directories and shall also include fees paid by other entities for the right to publish the company's directories. Items to be included are:

(a) All revenue derived from the classified section of the directories;

(b) Revenue from the sale of new telephone directories whether they are the company's own directories or directories purchased from others. This shall also include revenue from the sale of specially bound telephone directories and special telephone directory covers;

(c) Amounts charged for additional and boldface listings, marginal displays, inserts, and other advertisements in the alphabetical of the company's telephone directories; and

(d) Changes for unlisted and nonpublished telephone numbers.

§ 32.5240 Rent revenue.

(a) This account shall include revenues (including taxes when borne by the lessee) derived from the rental or subrental to others of telecommunications plant furnished apart from telecommunications services rendered by the company. It includes revenue from the rent of such items as space in conduit, pole line space for attachments, and any allowance for return on property used in joint operations and shared facilities agreements.

(b) The expense of maintaining and operating the rented property, including depreciation and insurance, shall be included in the appropriate operating expense accounts. Taxes applicable to the rented property shall be included by the owner of the rented property in appropriate tax accounts.

(c) When land or buildings are rented on an incidental basis for nontelecommunications use the rental and expenses are included in Account 7360, Other Nonoperating Income.

§ 32.5250 Corporate operations revenue.

This account shall include revenue derived from services rendered to other companies under a license agreement, general services contract, or other arrangement providing for the furnishing of general accounting, financial, legal, patent, and other general services associated with the provision of regulated telecommunications services. (See also Accounts 5230 and 5270.)

§ 32.5260 Miscellaneous revenue.

This account number shall be used by Class A telephone companies to summarize for reporting purposes the contents of Accounts 5261 through 5269.

§ 32.5261 Special billing arrangements revenue.

This account shall include revenue derived from the provision, either under tariff or through contractual arrangements, of special billing information to customers in the form of magnetic tapes, cards or statements. Special billing information provides detail in a format and/or at a level of detail not normally provided in the standard billing rendered for the regulated telephone services utilized by the customer.

§ 32.5262 Customer operations revenue.

This account shall include revenue derived from the performance of customer operations services for others incident to the company's regulated telecommunications operations which are not provided for elsewhere. (See also §§ 32.14(e) and 32.4999 (e) of this part.)

§ 32.5263 Plant operations revenue.

(a) This account shall include revenue derived from contract services (plant maintenance) performed for others incident to the company's regulated telecommunications operations. This includes revenue from the incidental performance of nontariffed operating and maintenance activities for others which are similar in nature to those activities which are performed by the company in operating and maintaining its own telecommunications plant facilities.

(b) The records supporting the entries in this account shall be maintained with sufficient particularity to identify the revenue and associated Plant Specific Operations Expenses related to each undertaking.

(c) This account does not include revenue related to the performance of operation or maintenance activities under a joint operating agreement. (See also Account 5240.)

§ 32.5264 Other incidental regulated revenue.

(a) This account shall include the other incidental regulated revenue not provided for in other Revenues accounts. Such revenues to be included are:

(1) Collection overages (collection shortages shall be charged to Account 6623, Customer services.)

(2) Unclaimed refunds for telecommunications services when not subject to escheats;

(3) Charges (penalties) imposed by the company for customer checks returned for non-payment;

(4) Discounts allowed customers for prompt payment;

(5) Late-payment charges;

(6) Revenue from private mobile telephone services which do not have access to the public switched network; and

(7) Other incidental revenue not provided for elsewhere in other Revenue accounts.

(b) Any definitely known amounts of losses of revenue collections due to fire or theft, (1) at customers' coin-box stations, (2) at public or semipublic telephone stations, (3) in the possession of collectors en route to collection offices, (4) on hand at collection offices, and (5) between collection offices and banks shall be charged to Account 6728, Other General and Administrative.

§ 32.5269 Other revenue settlements.

This account shall include the charges and credits resulting from contractual revenue pooling and/or sharing agreements for activities included in the miscellaneous revenue accounts only when they are not identifiable by miscellaneous revenue account in the settlement process. (See also § 32.4999(e) of this subpart.) the extent that the charges and credits resulting from a settlement process can be identified by miscellaneous revenue accounts they shall be recorded in the applicable account.

§ 32.5270 Carrier billing and collection revenue.

This account shall include revenue derived from the provision of billing and collection services to other telecommunications companies. This includes amounts charged for services such as message recording, billing, collection, billing analysis, and billing information services, whether rendered under tariff or contractual arrangements.

§ 32.5280 Nonregulated operating revenue.

(a) This account shall include revenues derived from a nonregulated activity involving the common or joint use of assets or resources in the provision of regulated and nonregulated products or services, which are not provided for elsewhere in this system of accounts.

(b) This account shall be debited and regulated revenue accounts shall be credited at tariffed rates when tariffed services are provided to nonregulated activities that are accounted for as prescribed in § 32.23(c) of this subpart.

(c) Separate subsidiary record categories shall be maintained for each nonregulated revenue item recorded i this account.

[53 FR 49322, Dec. 7, 1988]

§ 32.5300 Uncollectible revenue.

This account number shall be use by Class A telephone companies t summarize for reporting purposes th contents of Accounts 5301 and 5302 Class B telephone companies shall us this account for revenues of the typ and character required of Class A com panies in Accounts 5301 and 5302.

§ 32.5301 Uncollectible revenue—telecommunications.

This account shall be charged with amounts concurrently credited to Account 1181, Accounts Receivable Allowances—Telecommunications.

§ 32.5302 Uncollectible revenue—other.

This account shall be charged with amounts concurrently credited to Account 1190, Other Accounts Receivable, or to Account 1191, Accounts Receivable Allowance—Other, when such allowance is maintained.

Subpart E—Instructions for Expense Accounts

§ 32.5999 General.

(a) *Structure of the expense accounts.* (1) The expense section of the system of accounts shall be organized by expense group summary account, and subsidiary record category (if required).

(2) The expense section of this system of accounts shall be comprised of four major expense groups—Plant Specific Operations, Plant Nonspecific Operations, Custmer Operations and Corporate Operations. Expenses to be recorded in Plant Specific and Plant Nonspecific Operations Expense Groups generally reflect cost associated with the various kinds of equipment identified in the plant asset accounts. Expenses to be recorded in the Customer Operations and Corporate Operations accounts reflect the costs of, or are associated with, functions performed by people, irrespective of the organization in which any particular function is performed.

(3) Summary accounts within expense groups shall be used to describe aggregations of two or more accounts having a certain commonality. Summary accounts are assigned numbers so that they may be used by Class A telephone companies to aggregate accounts for reporting purposes; and as specificially directed, so that they may be used as accounts by Class B telephone companies.

(4) Accounts shall be maintained as prescribed in this section subject to the conditions described in § 32.13 in Subpart B. Subsidiary record categories may be required below the account level by this system of accounts or by Commission order.

(b) *Plant Specific Operations Expense.* (1) The Plant Specific Operations Expense Accounts, 6110 through 6441, are used to record costs related to specific kinds of telecommunications plant.

(2) The Plant Specific Operations Expense accounts predominantly mirror the telecommunications plant in service detail accounts and are numbered consistently with them; the first digit of the expense account being six (6) and the remaining digits being the same as the last three numbers of the related plant account. In classifying Plant Specific Operations expenses, the text of the corresponding plant account should be consulted to ensure appropriateness.

(3) The Plant Specific Operations Expense accounts shall include the costs of inspecting, testing (except as specified in Account 6533, Testing Expense) and reporting on the condition of telecommunications plant to determine the need for repairs, replacements, rearrangements and changes; performing routine work to prevent trouble (except as specified in Account 6533), replacing items of plant other than retirement units; rearranging and changing the location of plant not retired; repairing material for reuse; restoring the condition of plant damaged by storms, floods, fire or other casualties (other than the cost of replacing retirement units); inspecting after repairs have been made; and receiving training to perform these kinds of work. Also included are the costs of direct supervision (immediate of first-level) and office support of this work.

(4) In addition to the activities specified in paragraph (b)(3) of this section, the appropriate Plant Specific Operations Expense accounts shall include the cost of personnel whose principal job is the operation of plant equipment, such as general purpose computer operators, aircraft pilots, chauffeurs and shuttle bus drivers. However, when the operation of equipment is performed as part of other identifiable functions (such as the use of office equipment, capital tools or motor vehicles) the operators' cost shall be charged to accounts appropriate for those functions. (For costs of operator services personnel, see Accounts 6621, Call Completion Services, and 6622, Number Services, and for costs of test board personnel see Account 6533.)

(c) *Plant Nonspecific Operations Expense.* The Plant Nonspecific Operations Expense accounts shall include expenses related to property held for future telecommunications use, provisioning expenses, network operations expenses, and depreciation and amortization expenses. Accounts in this group (except for Account 6540, Access Expense, and Accounts 6560 through 6565) shall include the costs of performing activities described in narratives for individual accounts. These costs shall also include the costs of supervision and office support of these activities.

(d) *Customer Operations Expense.* The Customer Operations Expense accounts shall include the cost of performing customer related marketing and services activities described in narratives for individual accounts. These costs shall also include the costs of supervision, office support and training for these activities.

(e) *Corporate Operations Expense.* The Corporate Operations Expense accounts shall include the costs of performing executive and planning activities and general and administrative activities described in narratives for individual accounts. These costs shall also include the costs of supervision, office support and training for these activities.

(f) *Expense matrix.* The expense accounts shall be maintained by the following subsidiary record categories, as appropriate to each account. Such subsidiary record categories shall be reported as required by Part 43 of this Commission's Rules and Regulations.

(1) *Salaries and wages.* This subsidiary record category shall include compensation to employees, such as; wages, salaries, commissions, bonuses, incentive awards and termination payments.

(2) *Benefits.* This subsidiary record category shall include payroll related benefits on behalf of employees such as the following:

Pensions
Savings plan contributions (company portion)
Worker's compensation required by law
Life, hospital, medical, dental, and vision plan insurance
Social Security and other payroll taxes.

(3) *Rents.* (i) This subsidiary record category shall include amounts paid for the use of real and personal operating property. Amounts paid for real property shall be included in Account 6121, Land and Buildings Expense. This category includes payments for operating leases but does not include payments for capital leases.

(ii) This subsidiary record category is applicable only to the Plant Specific Operations Expense accounts. Incidental rents, e.g., short-term rental car expense, shall be categorized as Other Expenses (see paragraph (f)(4) of this section) under the account which reflects the function for which the incidental rent was incurred.

(4) *Other expenses.* This subsidiary record category shall include costs which cannot be classified to the other subsidiary record categories. Included are material and supplies, including provisioning (note also Account 6512, Provisioning Expense); contracted services; accident and damage payments, insurance premiums; traveling expenses and other miscellaneous costs.

(5) *Clearances.* This subsidiary record category shall include amounts transferred to Construction accounts (see § 32.2000 (c)(2)(iii)), other Plant Specific Operations Expense accounts and/or Account 3100, Accumulated Depreciation (cost of removal; see § 32.2000 (g)(1)(iii)), as appropriate, from Accounts 6112, Motor Vehicle Expense, 6113, Aircraft Expense, 6114, Special Purpose Vehicles Expense, 6116, Other Work Equipment Expense, 6534, Plant Operations Administration Expense, and 6535, Engineering Expense. There shall also be transfers to Construction or other Plant Specific Operations Expense accounts, as appropriate, from Account 6512, Provisioning Expense. With respect to these expenses, companies may establish such clearing accounts as they deem necessary to accomplish substantially tbe same results, provided that within 30 days of the opening of such accounts, companies shall notify the Commission of the nature and purpose thereof. Additional clearing accounts affecting other expense areas may be established with prior approval of the Commission. Should companies elect, the initial incurred subsidiary record category identification may be carried through to the final accounts without this Commission's approval.

(g) *Reimbursements.* Reimbursements of actual costs incurred in connection with joint operations or projects repairing plant due to damages by others, and obligations to make changes in telecommunications plant (such as highway relocations), shall be credited to the accounts originally charged.

(h) *Expense accounts to be maintained.*

Account title	Class A account	Class B account
Income Statement Accounts		
Plant specific operations expense:		
Network support expense	[1] [2] 6110	6110
Motor vehicle expense	[1] 6112	
Aircraft expense	[1] 6113	
Special purpose vehicles expense	[1] 6114	
Garage work equipment expense	[1] 6115	
Other work equipment expense	[1] 6116	
General support expenses	[1] [2] 6120	6120
Land and building expenses	[1] 6121	
Furniture and artworks expense	[1] 6122	
Office equipment expense	[1] 6123	
General purpose computers expense	[1] 6124	
Central office switching expense	[1] [2] 6210	6210
Analog electronic expense	[1] 6211	
Digital electronic expense	[1] 6212	
Electro-mechanical expense	[1] 6215	
Operators system expense	[1] 6220	6220
Central office transmission expenses	[1] [2] 6230	6230

Account title	Class A account	Class B account
Radio systems expense	[1] 6231	
Circuit equipment expense	[1] 6232	
Information origination/termination expense	[1] [2] 6310	6310
Station apparatus expense	[1] 6311	
Large private branch exchange expense	[1] 6341	
Public telephone terminal equipment expense	[1] 6351	
Other terminal equipment expense	[1] 6362	
Cable and wire facilities expenses	[1] [2] 6410	6410
Poles expense	[1] 6411	
Aerial cable expense	[1] 6421	
Underground cable expense	[1] 6422	
Buried cable expense	[1] 6423	
Submarine cable expense	[1] 6424	
Deep sea cable expense	[1] 6425	
Intrabuilding network cable expense	[1] 6426	
Aerial wire expense	[1] 6431	
Conduit systems expense	[1] 6441	
Plant nonspecific operations expense:		
Other property plant and equipment expenses	[1] [2] 6510	6510
Property held for future		
Telecommunications use expense	[1] 6511	
Provisioning expense	[1] 6512	
Network operations expenses	[1] [2] 6530	6530
Power expense	[1] 6531	
Network administration expense	[1] 6532	
Testing expense	[1] 6533	
Plant operations administration expense	[1] 6534	
Engineering expense	[1] 6535	
Access expense	[1] 6540	6540
Depreciation and amortization expenses	[2] 6560	6560
Depreciation expense—telecommunications plant in service	6561	
Depreciation expense—property held for future telecommunications use	6562	
Amortization expense—tangible	6563	
Amortization expense—intangible	6564	
Amortization expense—other	6565	
Customer operations expense:		
Marketing	[1] [2] 6610	6610
Product management	[1] 6611	
Sales	[1] 6612	
Product advertising	[1] 6613	
Services	[1] [2] 6620	6620
Call completion services	[1] 6621	
Number services	[1] 6622	
Customer services	[1] 6623	
Corporate operations expense:		
Executive and planning	[1] [2] 6710	6710
Executive	[1] 6711	
Planning	[1] 6712	
General and administrative	[1] [2] 6720	6720
Accounting and finance	[1] 6721	
External relations	[1] 6722	
Human resources	[1] 6723	
Information management	[1] 6724	
Legal	[1] 6725	
Procurement	[1] 6726	
Research and development	[1] 6727	
Other general and administrative	[1] 6728	
Provision for uncollectible notes receivable	6790	6790

[1] Subsidiary record categories required in accordance with § 32.5999(f) of this subpart.

[2] To be used by Class A telephone companies to summarize accounts for reporting purposes.

[51 FR 43499, Dec. 2, 1986, as amended at 52 FR 7580, Mar. 12, 1987]

§ 32.6110 Network support expenses.

(a) This account number shall be used by Class A telephone companies to summarize for reporting purposes the contents of Accounts 6112 through 6116. Class B telephone companies shall use this account for expenses of the type and character required of Class A companies in Accounts 6112 through 6116.

(b) Credits shall be made to this account by Class B companies for amounts transferred to Construction and/or other Plant Specific Operations Expense accounts. These amounts shall be computed on the basis of direct labor hours. (See also § 32.5999(f)(5) of this subpart.)

§ 32.6112 Motor vehicle expense.

(a) This account shall include costs of fuel, lubrications, license and inspection fees, washing, repainting, and minor accessories. Also included are the costs of personnel whose principal job is operating motor vehicles, such as chauffeurs and shuttle bus drivers. The costs of users of motor vehicles whose principal job is not the operation of motor vehicles shall be charged to accounts appropriate for the activities performed.

(b) Credits shall be made to this account for amounts transferred to Construction and/or to other Plant Specific Operations Expense accounts. These amounts shall be computed on the basis of direct labor hours. (See also § 32.5999(f)(5) of this subpart.)

§ 32.6113 Aircraft expense.

(a) This account shall include such costs as aircraft fuel, flight crews, mechanics and ground crews, licenses and inspection fees, washing, repainting, and minor accessories.

(b) Credits shall be made to this account for amounts transferred to Construction and/or to other Plant Specific Operations Expense accounts. These amounts shall be computed on the basis of direct labor hours. (See also § 32.5999(f)(5) of this subpart.)

§ 32.6114 Special purpose vehicles expense.

(a) This account shall include such costs as fuel, licenses and inspection fees, washing, repainting, and minor accessories. The costs of operators of this equipment shall be charged to accounts appropriate for the activities performed.

(b) Credits shall be made to this account for amounts transferred to Construction and/or to other Plant Specific Operations Expense accounts. These amounts shall be computed on the basis of direct labor hours. (See also § 32.5999(f)(5) of this subpart.)

§ 32.6115 Garage work equipment expense.

This account shall be charged only with costs incurred in connection with the garage work equipment itself. The costs of using this equipment to maintain motor vehicles, special purpose vehicles, or other work equipment shall be charged to Accounts 6112, Motor Vehicles, 6114 Special Purpose Vehicles, or 6116 Other Work Equipment, as appropriate.

§ 32.6116 Other work equipment expense.

(a) This account shall be charged only with costs incurred in connection with this work equipment itself. The costs of operators of this equipment shall be charged to accounts appropriate for the activities performed.

(b) Credits shall be made to this account for amounts transferred to Construction and/or to other Plant Specific Operations Expense accounts. These amounts shall be computed on the basis of direct labor hours. (See also § 32.5999(f)(5) of this subpart.

§ 32.6120 General support expenses.

This account number shall be used by Class A telephone companies to summarize for reporting purposes the contents of Accounts 6121 through 6124. Class B telephone companies shall use this account for expenses of the type and character required of Class A companies in Accounts 6121 through 6124.

§ 32.6121 Land and building expense.

(a) This account shall include expenses associated with land and buildings (excluding amortization of leasehold improvements). This account shall also include janitorial service, cleaning supplies, water, sewage, fuel and guard service, and electrical power.

(b) The cost of electrical power used to operate the telecommunications network shall be charged to Account 6531, Power Expense, and the cost of separately metered electricity used for operating specific types of equipment, such as computers, shall be charged to the expense account appropriate for such use.

§ 32.6122 Furniture and artworks expense.

This account shall include expenses associated with furniture and artworks.

§ 32.6123 Office equipment expense.

This account shall be charged only with costs incurred in connection with the office equipment itself. The costs of operators of this equipment shall be charged to accounts appropriate for the activities performed.

§ 32.6124 General purpose computers expense.

This account shall include costs of personnel whose principal job is the physical operation of general purpose computers and the maintenance of operating systems. This excludes the cost of preparation of input data or the use of outputs which are chargeable to the accounts appropriate for the activities being performed. Also excluded are costs incurred in planning, developing, testing, implementing, and maintaining data bases and application systems for general purpose computers. (See also Account 6724, Information Management.) Separately metered electricity for general purpose computers shall also be included in this account

§ 32.6210 Central office switching expenses.

This account number shall be used by Class A telephone companies to summarize for reporting purposes the contents of Accounts 6211 through 6215. Class B telephone companies shall use this account for expenses of the type and character required of Class A companies in Accounts 6211 through 6215.

§ 32.6211 Analog electronic expense.

This account shall include expenses associated with analog electronic switching.

§ 32.6212 Digital electronic expense.

This account shall include expenses associated with digital electronic switching.

§ 32.6215 Electro-mechanical expense.

(a) This account shall include expenses associated with electro-mechanical switching.

(b) Subsidiary record categories shall be maintained as provided in § 32.2215(a) of Subpart C.

§ 32.6220 Operator systems expense.

This account shall include expenses associated with operator systems equipment.

§ 32.6230 Central office transmission expense.

This account number shall be used by Class A telephone companies to summarize for reporting purposes the contents of Accounts 6231 and 6232. Class B telephone companies shall use this account for expenses of the type and character required of Class A companies in Accounts 6231 and 6232.

§ 32.6231 Radio systems expense.

(a) This account shall include expenses associated with radio systems.

(b) Subsidiary record categories shall be maintained as provided in § 32.2231(a) of Subpart C.

§ 32.6232 Circuit equipment expense.

This account shall include expenses associated with circuit equipment.

§ 32.6310 Information origination/termination expenses.

This account number shall be used by Class A telephone companies to summarize for reporting purposes the contents of Accounts 6311 through 6362. Class B telephone companies shall use this account for expenses of the type and character required of Class A telephone companies in Accounts 6311 through 6362.

§ 32.6311 Station apparatus expense.

This account shall include expenses associated with station apparatus. Expenses associated with company internal use communication equipment shall be recorded in Account 6123, Office Equipment Expense.

§ 32.6341 Large private branch exchange expense.

This account shall include expenses associated with large private branch exchanges. Expenses associated with company internal use communication equipment shall be recorded in Account 6123, Office Equipment Expense.

§ 32.6351 Public telephone terminal equipment expense.

This account shall include expenses associated with public telephone terminal equipment.

§ 32.6362 Other terminal equipment expense.

This account shall include expenses associated with other terminal equipment.

§ 32.6410 Cable and wire facilities expenses.

This account number shall be used by Class A telephone companies to summarize for reporting purposes the contents of Accounts 6411 through 6426. Class B telephone companies shall use this account for expenses of the type and character required of Class A companies in Accounts 6411 through 6426.

§ 32.6411 Poles expense.

This account shall include expenses associated with poles.

§ 32.6421 Aerial cable expense.

(a) This account shall include expenses associated with aerial cable.

(b) Subsidiary record categories shall be maintained as provided in §32.2421(a) of Subpart C.

§ 32.6422 Underground cable expense.

(a) This account shall include expenses associated with underground cable.

(b) Subsidiary record categories shall be maintained as provided in § 32.2422(a) of Subpart C.

§ 32.6423 Buried cable expense.

(a) This account shall include expenses associated with buried cable.

(b) Subsidiary record categories shall be maintained as provided in § 32.2423 (a) of Subpart C.

§ 32.6424 Submarine cable expense.

(a) This account shall include expenses associated with submarine cable.

(b) Subsidiary record categories shall be maintained as provided in §32.2424(a) of Subpart C.

§ 32.6425 Deep sea cable expense.

(a) This account shall include expenses associated with deep sea cable.

(b) Subsidiary record categories shall be maintained as provided in § 32.2425(a) of Subpart C.

§ 32.6426 Intrabuilding network cable expense.

(a) This account shall include expenses associated with intrabuilding network cable.

(b) Subsidiary record categories shall be maintained as provided in § 32.2426(a) of Subpart C.

§ 32.6431 Aerial wire expense.

This account shall include expenses associated with aerial wire.

§ 32.6441 Conduit systems expense.

This account shall include expenses associated with conduit systems.

§ 32.6510 Other property, plant and equipment expenses.

This account number shall be used by Class A telephone companies to summarize for reporting purposes the contents of Accounts 6511 and 6512. Class B telephone companies shall use this account for expenses of the type and character required of Class A companies in Accounts 6511 and 6512.

§ 32.6511 Property held for future telecommunications use expense.

This account shall include expenses associated with property held for future telecommunications use.

§ 32.6512 Provisioning expense.

(a) This account shall include costs incurred in provisioning material and supplies, including office supplies. This includes receiving and stocking, filling requisitions from stock, monitoring and replenishing stock levels, delivery of material, storage, loading or unloading and administering the reuse or refurbishment of material. Also included are adjustments resulting from the annual or more frequent inventory of material and supplies.

(b) Credits shall be made to this account for amounts transferred to construction and/or to plant specific operations expense. These costs are to be cleared by adding to the cost of material and supplies a suitable loading charge. (See also § 32.5999(f)(5) of this subpart.)

§ 32.6530 Network operations expenses.

This account number shall be used by Class A telephone companies to summarize for reporting purposes the contents of Accounts 6531 through 6535. Class B telephone companies shall use this account for expenses of the type and character required of Class A companies in Accounts 6531 through 6535.

§ 32.6531 Power expense.

This account shall include the cost of electrical power used to operate the telecommunications network.

§ 32.6532 Network administration expense.

This account shall include costs incurred in network administration. This includes such activities as controlling traffic flow, administering traffic measuring and monitoring devices, assigning equipment and load balancing, collecting and summarizing traffic data, administering trunking, and assigning interoffice facilities and circuit layout work.

§ 32.6533 Testing expense.

This account shall include costs incurred in testing telecommunications facilities from a testing facility (test desk or other testing system) to determine the condition of plant on either a routine basis or prior to assignment of the facilities; receiving, recording and analyzing trouble reports; testing to determine the nature and location of reported trouble condition; and dispatching repair persons or otherwise initiating corrective action. (Note also § 32.5999(b)(3) of this subpart.)

§ 32.6534 Plant operations administration expense.

(a) This account shall include costs incurred in the general administration of plant operations. This includes supervising plant operations (except as specified in § 32.5999(a)(3) of this subpart; planning, coordinating and monitoring plant operations; and performing staff work such as developing methods and procedures, preparing and conducting training (except on-the-job training) and coordinating safety programs.

(b) Credits shall be made to this account for amounts transferred to Construction accounts. These amounts shall be computed on the basis of direct labor hours. (See § 32.2000(c)(2)(ii) of Subpart C.)

§ 32.6535 Engineering expense.

(a) This account shall include costs incurred in the general engineering of the telecommunications plant which are not directly chargeable to an undertaking or project. This includes developing input to the fundamental planning process, performing preliminary work or advance planning in connection with potential undertakings, and performing special studies of an engineering nature.

(b) Credits shall be made to this account for amounts transferred to Construction accounts. These amounts shall be computed on the basis of direct labor hours. (See § 32.2000(c)(2)(ii) of Subpart C.)

§ 32.6540 Access expense.

(a) This account shall include amounts paid by interexchange carriers or other exchange carriers to another exchange carrier for the provision of carrier's carrier access.

(b) Subsidiary record categories shall be maintained in order that the entity may separately report interstate and intrastate carrier's carrier expense. Such subsidiary record categories shall be reported as required by Part 43 of this Commission's Rules and Regulations.

[52 FR 43917, Nov. 17, 1987]

§ 32.6560 Depreciation and amortization expenses.

This account shall be used by Class A telephone companies to summarize for reporting purposes the contents of Accounts 6561 through 6565. Class B telephone companies shall use this account for expenses of the type and character required of Class A companies in Accounts 6561 through 6565.

§ 32.6561 Depreciation expense—telecommunications plant in service.

This account shall include the depreciation expense of capitalized costs in Accounts 2112 through 2441, inclusive.

§ 32.6562 Depreciation expense—property held for future telecommunications.

This account shall include the depreciation expense of capitalized costs included in Account 2002, Property Held for Future Telecommunications Use.

§ 32.6563 Amortization expense—tangible.

This account shall include only the amortization of costs included in Accounts 2681, Capital Leases, and 2682, Leasehold Improvements.

§ 32.6564 Amortization expense—intangible.

This account shall include the amortization of costs included in Account 2690, Intangibles.

§ 32.6565 Amortization expense—other.

(a) This account shall include only the amortization of costs included in Account 2005, Telecommunications Plant Adjustment.

(b) This account shall also include lump-sum write offs of amounts of plant acquisition adjustment as provided for in § 32.2005(b)(3) of Subpart C.

(c) Subsidiary records shall be maintained so as to show that character of the amounts contained in this account.

§ 32.6610 Marketing.

This account number shall be used by Class A telephone companies to summarize for reporting purposes the contents of Accounts 6611 through 6613. Class B telephone companies shall use this account for expenses of the type and character required of Class A companies in Accounts 6611 through 6613.

§ 32.6611 Product management.

This account shall include costs incurred in performing administrative activities related to marketing products and services. This includes competitive analysis, product and service identification and specification, test market planning, demand forecasting, product life cycle analysis, pricing analysis, and identification and establishment of distribution channels.

§ 32.6612 Sales.

This account shall include costs incurred in selling products and services. This includes determination of individual customer needs, development and presentation of customer proposals, sales order preparation and handling, and preparation of sales records.

§ 32.6613 Product advertising.

This account shall include costs incurred in developing and implementing promotional strategies to stimulate the purchase of products and services. This excludes nonproduct-related advertising, such as corporate image, stock and bond issue and employment advertisements, which shall be included in the appropriate functional accounts.

§ 32.6620 Services.

This account number shall be used by Class A telephone companies to summarize for reporting purposes the contents of Accounts 6621 through 6623. Class B telephone companies shall use this account for expenses of the type and character required of Class A companies in Accounts 6621 through 6623.

§ 32.6621 Call completion services.

This account shall include costs incurred in helping customers place and complete calls, except directory assistance. This includes handling and recording; intercept; quoting rates, time and charges; and all other activities involved in the manual handling of calls.

§ 32.6622 Number services.

This account shall include costs incurred in providing customer number and classified listings. This includes preparing or purchasing, compiling, and disseminating those listings through directory assistance or other means.

§ 32.6623 Customer services.

(a) This account shall include costs incurred in establishing and servicing customer accounts. This includes:

(1) Initiating customer service orders and records;

(2) Maintaining and billing customer accounts;

(3) Collecting and investigating customer accounts, including collecting revenues, reporting receipts, administering collection treatment, and handling contacts with customers regarding adjustments of bills;

(4) Collecting and reporting pay station receipts; and

(5) Instructing customers in the use of products and services.

(b) This account shall also include amounts paid by interexchange carriers or other exchange carriers to another exchange carrier for billing and collection services. Subsidiary record categories shall be maintained in order that the entity may separately report interstate and intrastate amounts. Such subsidiary record categories shall be reported as required by Part 43 of this Commission's Rules and Regulations.

[52 FR 43917, Nov. 17, 1987]

§ 32.6710 Executive and planning.

This account number shall be used by Class A telephone companies to summarize for reporting purposes the contents of Accounts 6711 and 6712. Class B telephone companies shall use this account for expenses of the type and character required of Class A companies in Accounts 6711 and 6712.

§ 32.6711 Executive.

This account shall include costs incurred in formulating corporate policy and in providing overall administration and management. Included are the pay, fees and expenses of boards of directors or similar policy boards and all board-designated officers of the company and their office staffs, e.g., secretaries and staff assistants.

§ 32.6712 Planning.

This account shall include costs incurred in developing and evaluating long-term courses of action for the future operations of the company. This includes performing corporate organization and integrated long-range planning, including management studies, options and contingency plans, and economic strategic analysis.

§ 32.6720 General and administrative.

This account number shall be used by Class A telephone companies to summarize for reporting purposes the contents of Accounts 6721 through 6728. Class B telephone companies shall use this account for expenses of the type and character required of Class A companies in Accounts 6721 through 6728.

§ 32.6721 Accounting and finance.

This account shall include costs incurred in providing accounting and financial services. Accounting services include payroll and disbursements, property accounting, capital recovery, regulatory accounting (revenue requirements, separations, settlements and corollary cost accounting), noncustomer billing, tax accounting, internal and external auditing, capital and operating budget analysis and control, and general accounting (accounting principles and procedures and journals, ledgers, and financial reports). Financial services include banking operations, cash management, benefit investment fund management (including actuarial services), securities management, debt trust administration, corporate financial planning and analysis, and internal cashier services.

§ 32.6722 External relations.

This account shall include costs incurred in maintaining relations with government, regulators, other companies and the general public. This includes:

(a) Reviewing existing or pending legislation (See also account 7370, Special Charges, for lobbying expenses.);

(b) Preparing and presenting information for regulatory purposes, including tariff and service cost filings, and obtaining radio licenses and construction permits;

(c) Performing public relations and non-product-related corporate image advertising activities;

(d) Administering relations, including negotiating contracts (See also Account 6725, Legal.), with telecommunications companies and other utilities, businesses, and industries. This excludes sales contracts (See also Account 6612, Sales.); and

(e) Administering investor relations.

§ 32.6723 Human resources.

This account shall include costs incurred in performing personnel administration activities. This includes:

(a) Equal Employment Opportunity and Affirmative Action Programs;

(b) Employee data for forecasting, planning and reporting;

(c) General employment services;

(d) Occupational medical services;

(e) Job analysis and salary programs;

(f) Labor relations activities;

(g) Personnel development and staffing services, including counseling, career planning, promotion and transfer programs;

(h) Personnel policy development;

(i) Employee communications;

(j) Benefit administration;

(k) Employee activity programs;

(l) Employee safety programs; and

(m) Nontechnical training course development and presentation.

§ 32.6724 Information management.

This account shall include costs incurred in planning, developing, testing, implementing and maintaining data bases and application systems for general purpose computers.

§ 32.6725 Legal.

This account shall include costs incurred in providing legal services. This includes conducting and coordinating litigation, providing guidance on regulatory and labor matters, preparing, reviewing and filing patents and contracts and interpreting legislation. Also included are court costs, filing fees, and the costs of outside counsel, depositions, transcripts and witnesses.

§ 32.6726 Procurement.

This account shall include costs incurred in procuring material and supplies, including office supplies. This includes analyzing and evaluating suppliers' products, selecting appropriate suppliers, negotiating supply contracts, placing purchase orders, expediting and controlling orders placed for material, developing standards for material purchased and administering vendor or user claims.

§ 32.6727 Research and development.

(a) This account shall include costs incurred in making planned search or critical investigation aimed at discovery of new knowledge. It also includes translating research findings into a plan or design for a new product or process or for a significant improvement to an existing product or process, whether intended for sale or use.

(b) This excludes making routine alterations to existing products, processes, and other ongoing operations even though those alterations may represent improvements.

§ 32.6728 Other general and administrative.

This account shall include costs incurred in performing general administrative activities not directly charged to the user, and not provided for in other accounts. This includes providing general reference libraries, food services (e.g., cafeterias, lunch rooms and vending facilities), archives, general security investigation services, operating official private branch exchanges in the conduct of the business, and telecommunications and mail services. Also included are payments in settlement of accident and damage claims, insurance premiums for protection against losses and damages, direct benefit payments to or on behalf of retired and separated employees, accident and sickness disability payments, supplemental payments to employees while in governmental service, death payments, and other miscellaneous costs of a corporate nature. This account excludes the cost of office services, which are to be included in the accounts appropriate for the activities supported.

§ 32.6790 Provision for uncollectible notes receivable.

This account shall be charged with amounts concurrently credited to Account 1200, Notes Receivable, or to Account 1201, Notes Receivable Allowance, when such allowance is maintained.

Subpart F—Instructions For Other Income Accounts

§ 32.6999 General.

(a) *Structure of the Other Income Accounts.* The Other Income Accounts are designed to reflect both operating and nonoperating income items including taxes, extraordinary items and other income and expense items not properly included elsewhere.

(b) *Other Income Accounts Listing.*

Account title	Class A account	Class B account
Other operating income and expense:		
Other operating income and expense	[1] 7100	7100
Income from custom work	7110	
Return from nonregulated use of regulated facilities	7130	
Gains and losses from foreign exchange	7140	
Gains or losses from disposition of land and artwork	7150	
Other operating gains and losses	7160	
Operating taxes:		
Operating taxes	[1] 7200	7200
Operating investment tax credits—net	7210	

Account title	Class A account	Class B account
Operating Federal income taxes	7220	....
Operating State and local income taxes	7230	....
Operating other taxes	7240	....
Provision for deferred operating income taxes—net	7250	....
Nonoperating income and expense:		
Nonoperating income and expense	[1] 7300	7300
Dividend income	7310	....
Interest income	7320	....
Income from sinking and other funds	7330	....
Allowance for funds used during construction	7340	....
Gains or losses from the disposition of certain property	7350	....
Other nonoperating income	7360	....
Special charges	7370	....
Nonoperating taxes:		
Nonoperating taxes	[1] 7400	7400
Nonoperating investment tax credits—net	7410	....
Nonoperating Federal income taxes	7420	....
Nonoperating State and local income taxes	7430	....
Nonoperating other taxes	7440	....
Provision for deferred nonoperating income taxes—net	7450	....
Interest and related items:		
Interest and related items	[1] 7500	7500
Interest on funded debt	7510	....
Interest expense—capital Leases	7520	....
Amortization of debt issuance expense	7530	....
Other interest deductions	7540	....
Extraordinary items:		
Extraordinary items	[1] 7600	7600
Extraordinary income credits	7610	....
Extraordinary income charges	7620	....
Current income tax effect of extraordinary items—net	7630	....
Provision for deferred income tax effect of extraordinary items—net	7640	....
Jurisdictional Differences and nonregulated income items:		
Income effect of jurisdictional ratemaking difference—net	7910	7910
Nonregulated net income	7990	7990

[51 FR 43499, Dec. 2, 1986, as amended at 52 FR 6562, Mar. 4, 1987; 53 FR 49322, Dec. 7, 1988]

§ 32.7099 Content of accounts.

Other Operating Income and Expense accounts are intended to record the results of transactions, events or circumstances during the periods which are incidental or peripheral to the major or central operations of the company. They shall include all items of an operating nature as incidental work performed for others not provided for elsewhere. Whenever practicable the inflows and outflows associated with a transaction, event or circumstances shall be matched and the result shown as a net gain or loss.

§ 32.7100 Other operating income and expenses.

This account number shall be used by Class A telephone companies to summarize for reporting purposes the contents of Accounts 7110 through 7160. Class B companies shall use this account for other operating income and expense items of the type and character required of Class A companies in Accounts 7110 through 7160.

§ 32.7110 Income from custom work.

(a) This account shall include profits realized from custom work (plant construction) performed for others incident to the company's regulated telecommunications operations. This includes profits from the incidental performance of nontariffed construction activities (including associated engineering and design) for others which are similar in nature to those activities which are performed by the company in constructing its own telecommunications plant facilities.

(b) The records supporting the entries in this account shall be maintained with sufficient particularity to identify separately the revenue and costs associated with each undertaking.

§ 32.7130 Return from nonregulated use of regulated facilities.

This account shall include a return on investment for the use of regulated property plant and equipment to provide nonregulated products and services.

§ 32.7140 Gains and losses from foreign exchange.

This account shall include all gains and losses resulting from the exchange of foreign currency. Transaction (realized) gains or losses shall be measured based on the exchange rate in effect on the transaction date. Unrealized gains or losses shall be measured based on the exchange rate in effect at the balance sheet date.

§ 32.7150 Gains and losses from the disposition of land and artworks.

This account shall include gains or losses resulting from the disposition of land or artworks.

§ 32.7160 Other operating gains and losses.

This account shall be charged or credited, as appropriate, to record the results of transactions, events or circumstances which are of an operational nature, but occur irregularly or are peripheral to the major or central operations of the company and not provided for elsewhere.

§ 32.7199 Content of accounts.

The Operating Tax accounts shall include the taxes arising from the central operations of the company.

§ 32.7200 Operating taxes.

This account number shall be used by Class A telephone companies to summarize for reporting purposes the contents of Accounts 7210 through 7250. Class B telephone companies shall use this account for operating taxes of the type and character required of Class A companies in Accounts 7210 through 7250.

§ 32.7210 Operating investment tax credits—net.

(a) This account shall be charged and Account 4320, Unamortized Operating Investment Tax Credits—Net, shall be credited with investment tax credits generated from qualified expenditures related to regulated operations which the company defers rather than recognizes currently in income.

(b) This account shall be credited and Account 4320 shall be charged ratably with the amortization of each year's investment tax credits included in Account 4320 for investment services for ratemaking purposes. (See also Account 7410, Nonoperating Investment Tax Credits—Net.) Such amortization shall be determined in relation to the period of time used for computing book depreciation on the property with respect to which the tax credits relate.

§ 32.7220 Operating Federal income taxes.

(a) This account shall be charged and Account 4070, Income Taxes-Accrued, shall be credited for the amount of Federal Income Taxes for the current period. This account shall also reflect subsequent adjustments to amounts previously charged.

(b) Taxes should be accrued each month on an estimated basis and adjustments made as later data becomes available.

(c) Tax credits, other than investment tax credits, if normalized, shall be recorded consistent with the accounting for investment tax credits and shall be amortized to income as directed by this Commission.

(d) No entries shall be made to this account to reflect interperiod tax allocations.

§ 32.7230 Operating state and local income taxes.

(a) This account shall be charged and Account 4070, Income Taxes—Accrued, shall be credited for the amount of state and local income taxes for the current period. This account shall also reflect subsequent adjustments to amounts previously charged.

(b) Taxes should be accrued each month on an estimated basis and adjustments made as later data becomes available.

(c) No entries shall be made to this account to reflect interperiod tax allocations.

§ 32.7240 Operating other taxes.

(a) This account shall be charged and Account 4080, Other Taxes—Accrued, shall be credited for all taxes, other than Federal, state and local income taxes and payroll related taxes, related to regulated operations applicable to current periods. Among the items includable in this account are property, gross receipts, franchise and capital stock taxes; this account shall also reflect subsequent adjustments to amounts previously charged.

(b) Special assessments for street and other improvements and special benefit taxes, such as water taxes and the like, shall be included in the operating expense accounts or investment accounts, as may be appropriate.

(c) Discounts allowed for prompt payment of taxes shall be credited to the account to which the taxes are chargeable.

(d) Interest on tax assessments which are not paid when due shall be included in Account 7540, Other Interest Deductions.

(e) Taxes paid by the company under tax-free covenants on indebtedness shall be charged to Account 7360, Other Nonoperating Income.

(f) Sales and use taxes shall be accounted for, so far as practicable, as part of the cost of the items to which the taxes relate.

(g) Taxes on rented telecommunications plant which are borne by the lessee shall be credited by the owner to Account 5240, Rent Revenue, and shall be charged by the lessee to the appropriate Plant Specific Operations Expense account.

§ 32.7250 Provision for deferred operating income taxes—net.

(a) This account shall be charged or credited, as appropriate, *with contra entries* recorded to the following accounts for income tax expense that has been deferred in accordance with § 32.22 of Subpart B.

4100 Net Current Deferred Operating Income Taxes
4340 Net Noncurrent Deferred Operating Income Taxes

(b) Subsidiary record categories shall be maintained to distinguish between property and nonproperty related deferrals and so that the company may separately report that amounts contained herein that relate to Federal, state and local income taxes. Such subsidiary record categories shall be reported as required by Part 43 of this Commission's Rules and Regulations.

§ 32.7299 Content of accounts.

The nonoperating income and expense accounts are intended to record the results of transactions, events and circumstances affecting the company during a period and which are not operational in nature. They shall include such items as nonoperating taxes, dividend income and interest income. Whenever practicable the inflows and outflows associated with a transaction or event shall be matched and the result shown as a net gain or loss.

§ 32.7300 Nonoperating income and expense.

This account number shall be used by Class A telephone companies to summarize for reporting purposes the contents of Accounts 7310 through 7370. Class B telephone companies shall use this account for nonoperating income and expense items of the type and character required of Class A companies in Accounts 7310 through 7370.

§ 32.7310 Dividend income.

(a) This account shall include dividends on investments in common and preferred stock, which is the property of the company, whether such stock is owned by the company and held in its treasury, or deposited in trust (except in sinking or other funds, see paragraph (c) of this section), or otherwise controlled.

(b) These accounts shall not include dividends or other returns on securities issued or assumed by the company and held by or for it, whether pledged as collateral, or held in its treasury, in special deposits, or in sinking or other funds.

(c) Dividends on stocks of other companies held in sinking or other funds shall be credited to Account 7330, Income from Sinking and Other Funds.

(d) Dividends received and receivable from affiliated companies accounted for on the equity method shall be included in Account 1401, Investments in Affiliated Companies, as a reduction of the carrying value of the investments.

§ 32.7320 Interest income.

(a) This account shall include interest on securities, including notes and other evidences of indebtedness, which are the property of the company, whether such securities are owned by the company and held in its treasury, or deposited in trust (except in sinking or other funds, see paragraph (d) to this section) or otherwise controlled. It shall also include interest on bank balances, certificates of deposits, open accounts, and other analogous items.

(b) There shall be included in this account for each month the applicable amount requisite to extinguish, during the interval between the date of acquisition and date of maturity, the difference between the purchase price and the par value of securities owned, the income from which is includable in this account. Amounts thus credited or charged shall be concurrently included in the accounts in which the securities are carried. Any such difference remaining unextinguished at the sale or upon the maturity and satisfaction of such securities shall be cleared to Account 7360, Other Nonoperating Income.

(c) These accounts shall not include interest or other returns on securities issued or assumed by the company and held by or for it, whether pledged as collateral, or held in its treasury, in special deposits, or in sinking or other funds.

(d) Interest on cash and on securities issued by others shall be included in Account 7330, Income from Sinking and Other Funds, when such assets are held in sinking or other funds.

(e) Cash discounts on bills for material purchased shall not be included in this account.

§ 32.7330 Income from sinking and other funds.

(a) This account shall include the income accrued on cash, securities issued by other companies, and other assets (not including securities issued or assumed by the company) held in sinking and other funds.

(b) There shall be included in this account for each month the applicable amount requisite to extinguish, during the interval between the date of acquisition and the date of maturity, the difference between the purchase price and the par value of securities held in sinking or other funds. Amounts thus credited or charged shall be concurrently included in the accounts in which the securities are carried. Any such differences remaining unextinguished upon the maturity and satisfaction of such securities shall be cleared to Account 7360, Other Nonoperating Income.

§ 32.7340 Allowance for funds used during construction.

This account shall be credited with such amounts as are charged to the telecommunications plant accounts for the purpose of recording an allowance for funds used for construction purposes.

§ 32.7350 Gains or losses from the disposition of certain property.

This account shall include gains or losses resulting from the disposition of the following:

(a) Gains or losses from the disposition of land or artworks;

(b) Gains or loss from the disposition of plant with traffic; and

(c) Gains or losses from the disposition of nonoperating telecommunications plant not previously used in the provision of telecommunications services.

§ 32.7360 Other nonoperating income.

(a) This account shall include all other items of income and gains or losses from activities not specifically provided for elsewhere.

(b) This account shall include representative items as follows:

(1) Fees collected in connection with the exchange of coupon bonds for registered bonds;

(2) Gains or losses realized on the sale of temporary cash investments or marketable equity securities;

(3) Uncollectible amounts previously credited to accounts 7310 through 7350, inclusive;

(4) Net unrealized losses on investments in current marketable equity securities;

(5) Write-downs or write-offs of the book costs of investment in equity securities due to permanent impairment;

(6) Gains or losses of nonoperating nature arising from foreign currency exchange or translation;

(7) Gains or losses from the extinguishment of debt made to satisfy sinking fund requirements;

(8) Amortization of Goodwill;

(9) Company's share of the earnings or losses of affiliated companies accounted for on the equity method; and

(10) The net balance of the revenue from and the expenses (including depreciation, amortization and insurance) of property, plant, and equipment, the cost of which is includable in Account 2006, Nonoperating Plant.

§ 32.7370 Special charges.

This account shall include the following costs that are typically given special regulatory scrutiny for ratemaking purposes. Unless specific justification to the contrary is given, such costs are presumed to be excluded from the costs of service in setting rates.

(a) Lobbying includes expenditures for the purpose of influencing public opinion with respect to the election or appointment of public officials, referenda, legislation, or ordinances (either with respect to the possible adoption of new referenda, legislation or ordinances, or repeal or modification of existing referenda, legislation or ordinances) or approval, modification, or revocation of franchises, or for the purpose of influencing the decisions of public officials. This also includes advertising, gifts, honoraria, and political contributions. This does not include such expenditures which are directly related to communications with and appearances before regulatory or other governmental bodies in connection with the reporting utility's existing or proposed operations;

(b) Contributions for charitable, social or community welfare purposes;

(c) Membership fees and dues in social, service and recreational or athletic clubs and organizations;

(d) Penalties and fines paid on account of violations of statutes. This account shall also include penalties and fines paid on account of violations of U.S. statutes including judgments arising from a violation of antitrust laws, and payments in settlement of civil and criminal suits alleging such violations; and

(e) Abandoned construction projects.

[51 FR 43499, Dec. 2, 1986, as amended at 54 FR 22758, May 26, 1989]

§ 32.7399 Content of accounts.

The Nonoperating Tax accounts shall include taxes arising from activities which are not a part of the central operations of the entity.

§ 32.7400 Nonoperating taxes.

This account number shall be used by Class A telephone companies to summarize for reporting purposes the contents of Accounts 7410 through 7450. Class B telephone companies shall use this account for nonoperating taxes of the type and character required of Class A companies in Accounts 7410 through 7450.

§ 32.7410 Nonoperating investment tax credits—net.

(a) This account shall be charged and Account 4330, Unamortized Nonoperating Investment Tax Credits—Net, shall be credited with investment tax credits generated from qualified expenditures related to other operations which the company has elected to defer rather than recognize currently in income.

(b) This account shall be credited and Account 4330 shall be charged with the amortization of each year's investment tax credits included in such accounts relating to amortization of previously deferred investment tax credits of other property or regulated property, the amortization of which does not serve to reduce costs of service (but the unamortized balance does reduce rate base) for ratemaking purposes. Such amortization shall be determined with reference to the period of time used for computing book depreciation on the property with respect to which the tax credits relate.

§ 32.7420 Nonoperating Federal income taxes.

(a) This account shall be charged and Account 4070, Income Taxes—Accrued, shall be credited for the amount of nonoperating Federal income taxes for the current period. This account shall also reflect subsequent adjustments to amounts previously charged.

(b) Taxes shall be accrued each month on an estimated basis and adjustments made as later data becomes available.

(c) Companies that adopt the flow-through method of accounting for investment tax credits shall reduce the calculated provision in this account by the entire amount of the credit realized during the year. Tax credits, other than investment tax credits, if normalized, shall be recorded consistent with the accounting for investment tax credits.

(d) No entries shall be made to this account to reflect interperiod tax allocation.

§ 32.7430 Nonoperating state and local income taxes.

(a) This account shall be charged and Account 4070, Income Taxes—Accrued, should be credited for the amount of state and local income taxes for the current period. This account shall also reflect subsequent adjustments to amounts previously charged.

(b) Taxes shall be accrued each month on an estimated basis and adjustments made as later data becomes available.

(c) No entries shall be made to this account to reflect interperiod tax allocation.

§ 32.7440 Nonoperating other taxes.

This account shall be charged and Account 4080, Other Taxes—Accrued, shall be credited for all nonoperating taxes, other than Federal, state and local income taxes, and payroll related taxes for the current period. Among the items includable in this account are property, gross receipts, franchise and capital stock taxes. This account shall also reflect subsequent adjustments to amounts previously charged.

§ 32.7450 Provision for deferred nonoperating income taxes—net.

(a) This account shall be charged or credited, as appropriate, with contra enties recorded to the following accounts for nonoperating tax expenses that has been deferred in accordance with § 32.22 of Subpart B:

4110 Net Current Deferred Nonoperating Income Taxes
4350 Net Noncurrent Deferred Nonoperating Income Taxes

(b) Subsidiary record categories shall be maintained to distinguish between property and nonproperty related deferrals and so that the company may separately report the amounts contained herein that relate to Federal, state and local income taxes. Such subsidiary record categories shall be reported as required by Part 43 of this Commission's Rules and Regulations.

§ 32.7499 Content of accounts.

Interest and related amounts shall be included in Accounts 7510 through 7540.

§ 32.7500 Interest and related items.

This account number shall be used by Class A telephone companies to summarize for reporting purposes the contents of Accounts 7510 through 7540. Class B telephone companies shall use this account for interest and related items of the type and character required of Class A companies in Accounts 7510 through 7540.

§ 32.7510 Interest on funded debt.

(a) This account shall include the current accruals of interest on all classes of debt the principal of which is includable in Account 4210, Funded Debt. It shall also include the interest on funded debt the maturity of which has been extended by specific agreement.

(b) This account shall be kept so that the interest on each class of funded debt may be shown separately in the annual reports to this Commission.

(c) These accounts shall not include charges for interest on funded debt issued or assumed by the company and held by or for it, whether pledged as collateral or held in its treasury, in special deposits or in sinking or other funds.

(d) Interest expressly provided for and included in the face amount of securities issued shall be charged at the time of issuance to Account 1330, Other Prepayments, and cleared to this account as the term expires to which the interest applies.

(e) This account shall also include monthly amortization of balances in Accounts 4220, Premium on Long-

Term Debt, and 4230, Discount on Long-Term Debt.

§ 32.7520 Interest expense—capital leases.

This account shall include the interest portion of each capital lease payment.

§ 32.7530 Amortization of debt issuance expense.

This account shall include the monthly amortization of the balances in Account 1407, Unamortizatized Debt Issuance Expense.

§ 32.7540 Other interest deductions.

(a) This account shall include all interest deductions not provided for elsewhere, e.g., discount, premium, and expense on notes maturing one year of less from date of issue.

(b) A list of representative items of indebtedness, the interest on which is chargeable to this account, follows:

(1) Advances from affiliated companies;

(2) Advances from nonaffiliated companies and other liabilities

(3) Assessments for public improvements past due;

(4) Bond coupons, matured and unpaid;

(5) Claims and judgments;

(6) Customers' deposits;

(7) Funded debt mature, with respect to which a definite agreement as to extension has not been made;

(8) Notes payable on demand or maturing one year or less from date of issue;

(9) Open accounts;

(10) Tax assessments, past due; and

(11) Discount, premium, and issuance expense of notes maturing one year or less from date of issue.

(c) Interest payable on notes or other evidences of indebtedness maturing serially shall be charged to Account 7510, Interest of Funded Debt, if any portion of the obligation matures more than one year from date of issue.

§ 32.7599 Content of accounts.

These accounts are intended to segregate the effects of events or transactions that are extraordinary. Extraordinary events and transactions are distinguished by both their unusual nature and by the infrequency of their occurrence, taking into account the environment in which the company operates. These accounts shall also include the related income tax effect of the extraordinary items.

§ 32.7600 Extraordinary items.

This account number shall be used by Class A telephone companies to summarize for reporting purposes the contents of Accounts 7610 through 7640. Class B telephone companies shall use this account for transactions of the type and character required of Class A companies in Accounts 7610 through 7640.

§ 32.7610 Extraordinary income credits.

This account shall be credited with nontypical, noncustomary and infrequently recurring gains which would significantly distort the current year's income computed before such extraordinary items, if reported other than as extraordinary items. Income tax relating to the amounts recorded in this account shall be recorded in Account 7630, Current Income Tax Effect for Extraordinary Items—Net, and Account 7640, Provision for Deferred Income Tax Effect of Extraordinary Items—Net.

§ 32.7620 Extraordinary income charges.

This account shall be debited with nontypical, noncustomary and infrequently recurring losses which would significantly distort the current year's income computed before such extraordinary items, if reported other than as extraordinary items. Income tax relating to the amounts recorded in this account shall be recorded in Account 7630, Current Income Tax Effect for Extraordinary Items—Net, and Account 7640, Provision for Deferred Income Tax Effect of Extraordinary Items—Net.

[54 FR 22756, May 26, 1989]

§ 32.7630 Current income tax effect of extraordinary items—net.

This account shall be charged or credited and Account 4070, Income Taxes—Accured, shall be credited or charged for all current income tax effects (Federal, state and local) of items included in Accounts 7610, Extraordinary Income Credits, and 7620, Extraordinary Income Charges.

§ 32.7640 Provision for deferred income tax effect of extraordinary items—net.

This account shall be charged or credited, as appropriate, with a contra amount recorded to Account 4350, Net Noncurrent Deferred Nonoperating Income Taxes or Account 4110, Net Current Deferred Nonoperating Income Taxes for the income tax effects (Federal, state and local) of items included in Accounts 7610, Extraordinary Income Credits, and 7620, Extraordinary Income Charges, that have been deferred in accordance with § 32.22 of Subpart B.

§ 32.7899 Content of accounts.

Jurisdictional differences and nonregulated income amounts shall be included in Accounts 7910 and 7990.

§ 32.7910 Income effect of jurisdictional ratemaking differences—net.

This account shall include the impact on revenues and expenses of the jurisdictional ratemaking practices which vary from those of this Commission. All entries recorded in this account shall be recorded net of the applicable income tax effects and shall be supported by appropriate subsidiary records, where necessary, as provided for in § 32.13(e) of Subpart B.

§ 32.7990 Nonregulated net income.

(a) This account shall be used by those companies who offer nonregulated activities that do not involve the joint or common use of assets or resources used in the provision of both regulated and nonregulated products and services, and which have not established a separate subsidiary for that purpose.

(b) All revenue and expenses (including taxes) incurred in these nonregulated activities shall be recorded on separate books of account for such operations. Only the net of the total revenues and total expenses shall be recorded in this account, with a contra debit or credit to account 1406.3.

[52 FR 6562, Mar. 4, 1987]

Subpart G—Glossary

§ 32.9000 Glossary of terms.

When used in this system of accounts:

"Accelerated depreciation" means a depreciation method or period of time, including the treatment given cost of removal and gross salvage, used in calculating depreciation deductions on income tax returns which is different from the depreciation method or period of time prescribed by this Commission for use in calculating depreciation expense recorded in a company's books of account.

"Account" means a specific element of a chart of accounts used to record, classify and accumulate similar financial transactions resulting from the operations of the entity. "Accounts" or "these accounts" refer to the accounts of this system of accounts.

"Accounting system" means the total set of interrelated principles, rules, requirements, definitions, accounts, records, procedures and mechanisms necessary to operate and evaluate the entity from a financial perspective. An accounting system generally consists of a chart of accounts, various parallel subsystems and subsidiary records. An accounting system is utilized to provide the necessary financial information to users to meet judiciary and other responsibilities.

"Affiliated companies" means companies that directly or indirectly through one or more intermediaries, control or are controlled by, or are under common control with, the accounting company. See also Control.

"Amortization" means the systematic recoveries, through ratable charges to expense, of the cost of assets.

"Associated equipment" means that equipment which functions with a specific type of plant or with two (2) or more types of plant, e.g., switching equipment, network power equipment, circuit equipment, common channel network signaling equipment or network operations equipment. Associated equipment shall be classified to the account appropriate for the type of equipment with which it is predominately used rather than on its own characteristics.

Illustrative examples of associated equipment are:

Alarm and signal apparatus
Auxiliary framing
Cable and cable racks
Distributing frames and equipment thereon
Frame and aisle lighting equipment (not permanently attached to the building)
Relay racks and panels

"Basic service area" means the minimum specified calling area for which a tariff is prescribed.

"Book cost" means the amount at which property is recorded in these accounts, without deduction of related allowances.

"Common carrier" or "carrier" means any person engaged as a common carrier for hire, in interstate or foreign communication by wire or radio or in interstate or foreign radio transmission of energy, except where reference is made to common carriers not subject to this Act; but a person engaged in radio broadcasting shall not, insofar as such person is so engaged, be deemed a common carrier.

"Company" or "the company," when not otherwise indicated in the context, means the accounting entity. It includes such unincorporated entities which may be subject to the Communications Act of 1934, as amended

"Control" (including the terms "controlling," "controlled by," and "under common control with") means the possession directly or indirectly, of the power to direct or cause the direction of the management and policies of a company, whether such power is exercised through one or more intermediary companies, or alone, or in conjunction with, or pursuant to an agreement with, one or more other companies, and whether such power is established through a majority or minority ownership or voting of securities, common directors, officers, or stockholders, voting trusts, holding trusts, affiliated companies, contract, or any other direct or indirect means.

"Cost", except as applied to telecommunications plants, franchises, and patent rights, means the amount of money actually paid (or the current money value of any consideration other than money exchanged) for property or services. See also Original Cost.

"Cost of removal" means the cost of demolishing, dismantling, removing, tearing down, or otherwise disposing of telecommunications plant and recovering the salvage, including the cost of transportation and handling incident thereto.

"Depreciation" means the loss not restored by current maintenance, incurred in connection with the consumption or prospective retirement of telecommunications plant in the course of service from causes which are known to be in current operation, against which the company is not protected by insurance, and the effect of which can be forecast with a reasonable approach to accuracy. Among the causes to be given consideration are wear and tear, decay, action of the elements, inadequacy, obsolescence, changes in technology, changes in demand and requirements of public authorities.

"Entity" means a legal enterprise (common carrier) engaged in interstate communications within the meaning of the Communications Act of 1934, as amended.

"Group plan," as applied to depreciation accounting, means the plan under which depreciation charges are accrued upon the basis of the original cost of all property included in each depreciable plant account, using the average service life thereof properly weighted, and upon the retirement of any depreciable property its cost is charged to the deprecation reserve whether or not the particular item has attained the average service life.

"Intangible property" means assets that have no physical existence but instead have value because of the rights which ownership confers.

"Intrasystems" means assets consisting of:

(1) PBX and Key System Common Equipment (a switchboard or switching equipment shared by all stations);

(2) Associated CPE station equipment (usually telephone or Key Telephone Systems); and

(3) Intrasystem wiring (all cable or wiring and associated components which connect the common equipment and the station equipment, located on the customer's side of the demarcation point).

An intrasystem does not include property, plant or equipment which are not solely dedicated to its operation.

"Minor items," as applied to depreciable telecommunications plant, means any part or element of such plant, which when removed, (with or without replacement) does not initiate retirement accounting.

"Original cost" or "cost", as applied to telecommunications plant, rights of way and other intangible property, means the actual money cost of (or the current money value of any consideration other than money exchanged for) property at the time when it was first dedicated to use by a regulated telecommunications entity, whether the accounting company or by predecessors.
For the application of this definition to property acquired from predecessors see § 32.2000(b)(1) of Subpart C. Note also the definition of Cost in this section.

"Plant retired" means plant which has been removed, sold, abandoned, destroyed, or otherwise withdrawn from service.

"Retirement units", as applied to depreciable telecommunications plant, means those items of plant which when removed (with or without replacement) cause the initiation of retirement accounting entries.

"Salvage value" means the amount received for property retired, if sold, or if retained for reuse, the amount at which the material recovered is chargeable to Account 1220, Material and Supplies, or other appropriate account.

"Straight-line method", as applied to depreciation accounting, means the plan under which the cost of property is charged to operating expenses and credited to accumulated depreciation through equal annual charges as nearly as may be during its service life.

"Subsidiary record" means accumulation of detailed information which is required by this Commission to be maintained in support of entries to the accounts.

"Subsidiary record categories" means those segregations of certain regulated costs, expenses and revenues which must be maintained and are subject to specific reporting requirements of this Commission.

"Subsystems, parallel mechanisms" means processes or procedures which augment the use of a chart of accounts in the financial operation of the entity. These subsystems operate on and/or process account and subsidiary record information for specific purposes.

"Telecommunications" means any transmission, emission, or reception of signs, signals, writing, images or sounds or intelligence of any nature by wire, radio, visual or other electromagnetic systems. This encompasses the aggregate of several modes of conveying information, signals or messages over a distance. Included in the telecommunications industry is the transmitting, receiving, or exchanging of information among multiple locations. The minimum elements required for the telecommunications process to occur are a message source, a transmission medium and a receiver.

"Time of installation" means the date at which telecommunications plant is placed in service.

"Time of retirement" means the date at which telecommunications plant is retired from service.

"Tangible property" means assets characterized by physical existence, such as land, buildings, equipment, furniture, fixtures and tools.

PART 34—UNIFORM SYSTEM OF ACCOUNTS FOR RADIOTELEGRAPH CARRIERS

APPLICABILITY

Sec.
34.01-1 Carriers subject to this system of accounts.
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Communication Plant

34.1000 Operated plant in carrier's service.
34.1100 Operated plant leased to others.
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34.1300 Plant under construction.
34.1400 Plant held for future communication use.
34.1510 Plant acquisition adjustments.
34.1515 Allowance for depreciation; radiotelegraph plant.
34.1520 Allowance for amortization; radiotelegraph plant.
34.1530 Telephone, wire-telegraph, and ocean-cable plant.
34.1535 Allowance for depreciation and amortization; telephone, wire-telegraph, and ocean-cable plant.
34.1599 Foreign investment in communication plant.

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34.1620 Investments in affiliates.
34.1625 Nonregulated investments.
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34.1630 Debt-redemption funds.
34.1635 Employees' provident funds.
34.1640 Insurance funds.
34.1645 Miscellaneous funds held by trustees.
34.1659 Other miscellaneous funds.
34.1698 Amortized discount and premium on investment securities.
34.1699 Allowance for doubtful investments.

Current Assets

34.1710 Cash.
34.1715 Special cash deposits.
34.1720 Working cash advances.
34.1725 Temporary investments.
34.1730 Operating revenues receivable from users.
34.1742 Traffic settlements receivable from affiliates.
34.1749 Other receivables from affiliates.
34.1751 Notes receivable.
34.1752 Traffic settlements receivable.
34.1753 Matured interest receivable.
34.1754 Declared dividends receivable.
34.1755 Matured rents receivable.
34.1759 Other accounts receivable.

34.1765 Allowance for uncollectible receivables.
34.1770 Unmatured accrued receivables.
34.1775 Subscriptions to capital stock.
34.1780 Deposits on subscriptions to capital stock.
34.1785 Subscriptions to bonds.
34.1790 Deposits on subscriptions to bonds.
34.1795 Material and supplies.
34.1799 Other current assets.

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34.1810 Prepaid insurance.
34.1815 Prepaid rents.
34.1820 Prepaid taxes.
34.1899 Other prepayments.

Deferred Charges

34.1910 Extraordinary maintenance, depreciation, and retirements.
34.1915 Capital stock expense.
34.1920 Long-term debt expense.
34.1925 Discount on capital stock.
34.1930 Unamortized discount on debt.
34.1935 Preliminary survey and investigation charges.
34.1940 Debit balances in clearing accounts.
34.1999 Other deferred charges.

Long-Term Debt

34.2010 Bonds actually issued.
34.2015 Bonds reacquired.
34.2020 Bonds subscribed; unissued.
34.2025 Receivers' and trustees' securities.
34.2030 Advances from affiliates.
34.2099 Other long-term debt.

Current Liabilities

34.2110 Matured long-term debt.
34.2115 Customers' deposits.
34.2122 Traffic settlements payable to affiliates.
34.2129 Other payables to affiliates.
34.2131 Notes payable.
34.2132 Traffic settlements payable.
34.2133 Matured interest payable.
34.2134 Declared dividends.
34.2135 Matured rents payable.
34.2139 Other accounts payable.
34.2155 Advance billings.
34.2160 Installment-plan receipts on purchase of capital stock.

Liability Accruals

34.2165 Interest accruals.
34.2170 Rent accruals.
34.2175 Tax accruals.
34.2180 Other accruals.
34.2199 Other current liabilities.

Provisions for Future Settlements

34.2210 Provisions for employees' pensions and welfare.
34.2215 Provisions for self-carried insurance.
34.2220 Provisions for equalization of maintenance expenses.
34.2225 Provisions for depreciation and replacement of operated plant leased from others.
34.2230 Leased operated plant retired.
34.2299 Other provisions for future settlements.

Deferred Credits

34.2310 Unamortized premium on debt.
34.2315 Advances for construction.
34.2320 Credit balances in clearing accounts.
34.2399 Other deferred credits.

Capital Stock

34.2410 Capital stock issued.
34.2415 Capital stock reacquired.
34.2420 Capital stock subscribed; unissued.
34.2425 Obligations for stock conversion.

Capital Surplus

34.2510 Premiums and assessments on capital stock.
34.2515 Contributions of plant.
34.2599 Other capital surplus.

Earned Surplus

34.2610 Contractual reserves.
34.2615 Reserve against impairment of stated capital.
34.2620 Miscellaneous reserves.
34.2699 Unappropriated earned surplus.

OPERATED PLANT ACCOUNTS

INSTRUCTIONS

34.1-1 Purpose and content of operated plant accounts.
34.1-2 Accounting for plant acquisitions.
34.1-3 Components of construction cost.
34.1-4 Overhead construction costs.
34.1-5 Improvements and replacements of operated plant leased from others.
34.1-6 Operated plant retired.
34.1-7 Transfers of plant.
34.1-8 Continuous property-record required.
34.1-99 Contemplated form of plant statement.

PRESCRIBED ACCOUNTS

NOTE: Number to the right of the decimal point is the account number.

Real Estate

34.11 Land.
34.12 Land improvements.
34.13 Drainage, sewerage, gas, and water systems.
34.14 Buildings.

Fixed and Land Station Aerial Systems and Lines

34.21 Towers and masts.
34.22 Antenna systems.
34.26 Control lines.
34.27 Power-supply lines.

Fixed and Land Station Transmission Equipment

34.31 Radio transmitter equipment.
34.33 Cooling apparatus.
34.34 Receiver equipment.
34.36 Power supply and distribution equipment.
34.37 Ocean cable.
34.40 Control apparatus.
34.41 Equipment on customers' premises.

Furniture and Office Equipment

34.51 Furniture and office equipment.

Mobile Station Equipment

34.61 Ship station equipment.
34.69 Other mobile station equipment.

Work Equipment

34.71 Transportation equipment.
34.72 Shop equipment, tools, and implements.
34.73 Store and warehouse equipment.

Intangibles

34.81 Organization.
34.82 Franchises.
34.83 Patent rights.
34.84 Leaseholds.
34.89 Other intangibles.

Other Plant Accounts

34.91 Plant acquired; undistributed charges.
34.92 Plant sold; undistributed credits.

INCOME AND EARNED SURPLUS ACCOUNTS

INSTRUCTIONS

34.30-1 Purpose of income accounts.
34.30-2 Income from debt-redemption and other funds.
34.30-3 Rents includible in income accounts.
34.30-4 Disposition of balances in income accounts.
34.30-5 Purpose of earned surplus accounts.
34.30-6 Disposition of balances in earned surplus accounts.
34.30-99 Contemplated form of income and earned surplus statement.

PRESCRIBED ACCOUNTS

NOTE: Number to the right of the decimal point is the account number.

INCOME ACCOUNTS

Ordinary Income; Communication

34.3000 Operating revenues.

Operating Revenue Deductions

34.4000 Operating expenses.
34.4910 Depreciation.
34.4915 Amortization; intangible operated plant.
34.4920 Amortization of plant-acquisition adjustments.
34.4925 Extraordinary plant losses.
34.4931 Social security taxes; operating.
34.4932 Other taxes; operating.
34.4935 Uncollectible revenues.
34.4940 Rent for lease of operated plant.
34.4945 Telephone, wire-telegraph, and ocean-cable operating revenue deductions.
34.4950 Revenue-contract payments.
34.4999 Other operating revenue deductions.

Other Communication Income

34.5010 Income from operated plant leased to others.
34.5015 Income from telephone, wire-telegraph, and ocean-cable plant leased to others.
34.5020 Profit from general services, licenses, and royalties.
34.5089 Income from foreign operations.
34.5099 Other communication income.

Ordinary Income; Noncommunication

34.5111 Income from nonregulated investments.
34.5120 Dividend income.
34.5125 Interest income.
34.5135 Income from debt-redemption and other funds.
34.5140 Gain or loss on foreign currency exchange.
34.5199 Other noncommunication income.

Deductions From Ordinary Income

34.5210 Interest on long-term debt.
34.5215 Interest on indebtedness to affiliates.
34.5220 Amortization of debt discount.
34.5225 Interest charged to construction—Cr.
34.5230 Amortization of debt premium—Cr.
34.5235 Other interest charges.
34.5240 Taxes assumed on interest.
34.5245 Amortization of debt expense.
34.5250 Miscellaneous taxes.
34.5255 Amortization of plant acquisition adjustments.
34.5260 Revenue-contract payments.
34.5299 Other deductions from ordinary income.

Extraordinary Income; Credits

34.6110 Delayed income credits.
34.6199 Other extraordinary income credits.

Extraordinary Income; Charges

34.6210 Delayed income charges.
34.6299 Other extraordinary income charges.

Deductions From Net Income

34.7009 Investment credits; net.
34.7010 Taxes on net income.
34.7099 Other deductions from net income.

EARNED SURPLUS ACCOUNTS

Earned Surplus; Credits

34.8110 Balance transferred from income accounts.
34.8199 Miscellaneous credits to earned surplus.

Earned Surplus; Charges

34.8299 Miscellaneous charges to earned surplus.
34.8310 Contractual appropriations of earned surplus.
34.8315 Earned surplus employed in reacquisition of capital stock.
34.8320 Miscellaneous appropriations of earned surplus.
34.8399 Dividend appropriations of earned surplus.

OPERATING REVENUE ACCOUNTS

INSTRUCTIONS

34.31-1 Purpose of operating revenue accounts.
34.31-2 Basis of credits to operating revenue accounts.
34.31-3 Divisions of operating revenues.
34.31-4 Services furnished without direct charge.
34.31-99 Contemplated form of operating revenue statement.

PRESCRIBED ACCOUNTS

NOTE: Number to the right of the decimal point is the account number.

Domestic Message Revenue

34.3100 Domestic message revenue.
34.3110 Public message revenue.
34.3116 Government message revenue.
34.3125 Press message revenue.
34.3160 Domestic transmission of transoceanic and marine messages.
34.3199 Other message revenue.

Transoceanic Message Revenue

34.3200 Transoceanic message revenue.
34.3210 Public message revenue.
34.3216 Government message revenue.
34.3225 Press message revenue.
34.3230 Other commuted-rate message revenue.
34.3299 Other message revenue.

Marine Message Revenue

34.3300 Marine message revenue.
34.3310 Public message revenue.
34.3316 Government message revenue.
34.3325 Press message revenue.
34.3330 Other commuted-rate message revenue.
34.3370 Ship station revenue.
34.3399 Other message revenue.

Other Transmission Revenue

34.3700 Other transmission revenue.
34.3705 Scheduled transmission service revenue.
34.3725 Broadcast-program service revenue.
34.3735 News (CND) service revenue.
34.3745 Facsimile or photogram service revenue.
34.3755 Telephone service revenue.
34.3799 Miscellaneous transmission service revenue.

Nontransmission Revenue

34.3800 Nontransmission revenue.
34.3805 Revenue from furnishing and servicing stations.
34.3810 Leased-circuit revenue.
34.3820 Other leased-plant revenue.
34.3825 Money-order fees.
34.3899 Miscellaneous nontransmission revenue.

Other Telecommunication Revenue

34.3910 Telephone revenue; telephone systems.
34.3928 Wire-telegraph and ocean-cable revenue; wire systems.

OPERATING EXPENSE ACCOUNTS

INSTRUCTIONS

34.41-1 Purpose of operating expense accounts
34.41-2 Operating expenses applicable to leased plant.
34.41-3 Direct allocation of operating expenses to stations and city offices.
34.41-4 Expenses of holding or servicing departments.
34.41-5 Maintenance expenses.
34.41-6 Conducting-operations expenses.
34.41-7 Accounting for electron tubes.
34.41-8 Expenses of nonregulated operations.
34.41-99 Contemplated form of operating expense statement.

PRESCRIBED ACCOUNTS

NOTE: Number to the right of the decimal point is the account number.

Maintenance Expenses

34.4110 Supervision of maintenance.
34.4115 Maintenance of real estate.
34.4120 Maintenance of fixed and land station aerial systems and lines.
34.4125 Maintenance of fixed and land station transmission equipment.
34.4126 Maintenance of ocean cable.
34.4130 Maintenance of furniture and office equipment.
34.4132 Electron-tube replacements.
34.4135 Maintenance of mobile station equipment.
34.4198 Maintenance-expense equalization.
34.4199 Other maintenance expenses.

Conducting-Operations Expenses

34.4210 Supervision of operations.
34.4215 Operators' wages.
34.4216 Wages of station attendants.
34.4222 Wages of operating-office clerks.
34.4225 Operating power.
34.4230 Traffic damages.
34.4235 Traffic-damage expense.
34.4240 Telephone service; message transmission.
34.4243 Rent for operating offices.
34.4245 Rent for other facilities.
34.4250 Advertising.
34.4255 Soliciting.
34.4260 Obtaining stock and commercial news.
34.4270 Commissions—Dr.
34.4275 Commissions—Cr.
34.4281 Messengers' wages.
34.4283 Messengers' uniform expense.
34.4289 Other messenger service expense.
34.4290 Other employees' wages.
34.4295 Supplies; operating offices.
34.4299 Other conducting-operations expenses.

Administrative Expenses

34.4310 Salaries of general officers and executives.
34.4315 Expenses of general officers and executives.
34.4320 Salaries of general office employees.
34.4325 Expenses of general office employees.
34.4399 Other administrative expenses.

General Expenses

34.4410 Legal services.
34.4415 General services, licenses, and royalties—Dr.
34.4420 General services, licenses, and royalties—Cr.
34.4425 Insurance.
34.4430 Injuries and damages.
34.4435 Relief and pensions.
34.4445 Rest and lunch room expenses.
34.4450 Rent for offices.
34.4455 Other rents.
34.4460 Franchise requirements—Dr.
34.4465 Franchise requirements—Cr.
34.4470 Supplies.
34.4475 Training employees.
34.4480 House service.
34.4499 Other general expenses.

CLEARING ACCOUNTS

INSTRUCTIONS

34.90-1 Purpose of clearing accounts.
34.90-2 Disposition of balances in clearing accounts.

PRESCRIBED ACCOUNTS

NOTE: Number to the right of the decimal point is the account number.

34.9010 Research and development; undistributed.
34.9015 Vehicle expense; undistributed.
34.9020 Shop, tool, and implement expense; undistributed.
34.9025 Plant-supervision expense; undistributed.
34.9030 Supply expense; undistributed.
34.9035 House service expense; undistributed.

RETIREMENT UNITS

34.1-6-1 Retirement units.

AUTHORITY: Secs. 4, 303, 307, 48 Stat., as amended, 1066, 1082, 1083; 47 U.S.C. 154, 303, 307. Interpret or apply secs. 219, 220, 48 Stat. 1077, as amended, 1078, 47 U.S.C. 219, 220.

SOURCE: 28 FR 13102, Dec. 5, 1963, unless otherwise noted.

EDITORIAL NOTE: The numerical sequence of sections in this part follows the established sequence of accounts prescribed thereby.

NOTE: In this part the several section numbers indicate the relationship among the instructions and accounts as follows:

Examples:

(1) § 34.01-1.
(2) § 34.10-1.
(3) § 34.1-2.
(4) § 34.1000.
(5) § 34.11.
(6) § 34.1515.

Explanation. The number "34" (appearing to the left of the decimal point) indicates the part number.

The dash (-) indicates an instruction that is applicable to several accounts. (See examples (1), (2), and (3).)

With the exception of the instructions that are applicable to more than one group of accounts (which are indicated by a zero following the decimal point), the number between the decimal point and the dash indicates the group of accounts to which the instruction is applicable by the use of a mnemonic method of indication consisting of the first two digits of the first account in a group composed of four-digit account numbers, and the first digit of the first account in a group composed of two-digit account numbers (applicable only to the plant accounts in this system of accounts). Thus, in the foregoing examples:

Section 34.01-1 refers to several groups of accounts;

Section 34.10-1 refers to the balance-sheet accounts (beginning with account 1000);

Section 34.1-2 refers to the plant accounts (beginning with account 11).

When no dash appears in the section number, the number to the right of the decimal point is an account number. (See examples (4), (5), and (6).) A colon (:) indicater the subdivision of an account, the number to the right of the colon being the subaccount number. Where references throughout the regulations are to an account, as such, only the account number is used.

APPLICABILITY

§ 34.01-1 Carriers subject to this system of accounts.

This system of accounts applies to carriers engaged primarily in furnishing radiotelegraph service. (See also § 34.03-8.)

§ 34.01-2 Classification of carriers.

(a) For the purpose of applying this system of accounts radiotelegraph carriers are divided into two classes, as follows:

Class A. Carriers having average annual operating revenues exceeding $100,000. Such carriers shall keep all of the accounts that are applicable to their affairs.

Class B. Carriers having average annual operating revenues exceeding $50,000, but not exceeding $100,000. Such carriers shall keep all of the accounts that are applicable to their affairs, except that their accounts for operating revenues and operating expenses may be kept under the condensed primary classifications provided in §§ 34.05-1 and 34.05-2.

(b) No uniform system of accounts has been prescribed for carriers having average annual operating revenues not exceeding $50,000. However, such carriers may keep the accounts prescribed in this system of accounts.

§ 34.01-3 Determination of class.

(a) The class to which any carrier belongs shall be determined by the average of its annual operating revenues for the 3 years immediately preceding the effective date of this system of accounts. If at the close of any subsequent calendar year the average of its annual operating revenues for the latest 3 years is greater than the amount applicable to the class in which the carrier has been previously includible, the account applicable to the higher class shall be adopted.

(b) Carriers not engaged in furnishing radiotelegraph service over the 3-year period immediately preceding the effective date of this system of accounts shall estimate the amount of their annual operating revenues and keep the accounts applicable to carriers having actual revenues in the amount estimated.

DEFINITIONS

§ 34.02-1 Restrictive use of certain terms.

When used in this part, unless otherwise indicated:

"Accounts" or "these accounts" means the accounts prescribed in this part.

"Acquisition cost" means the amount of money actually paid (or the then current money value of any consideration other than money given) by the "carrier" for property, including the preliminary expenses incurred in connection with the acquisition.

"Act" or "the act" means the Communications Act of 1934 as amended.

"Actually issued," as applied to securities issued or assumed by the "carrier," means (1) those securities that have been sold to bona fide purchasers for a valuable consideration (including those issued in exchange for other securities or other property), (2) those that have been issued in accordance with contractual requirements directly to trustees of debt-redemption and other funds, and (3) those that have been issued in payments of dividends on stock.

"Actually outstanding," as applied to securities issued or assumed by the "carrier," means those securities that have been "actually issued" and are neither retired nor held by or for the "carrier": *Provided, however,* That securities held by trustees of debt-redemption and other funds shall be regarded and treated as actually outstanding.

"Affiliate" means (and "affiliated" relates to) a "person" that, directly, or indirectly through one or more intermediaries, "controls," is "controlled by," or is "under common control with," the "carrier".

"Amortization" means the gradual extinguishment of an amount in an account by prorating such amount over a fixed period.

"Book amount," as applied to securities issued or assumed by the "carrier," means (1) the amount duly authorized for inclusion in account 2410, "Capital stock issued," for stock having no par value, and (2) the "face amount" of all other securities.

"Book cost" means the amount at which property is recorded in an account without the deduction of amounts in related or other accounts.

"Carrier" means the accounting carrier.

"Class," as applied to depreciable plant, means that portion of the total plant that is represented by a single primary plant account.

"Commission" means the Federal Communications Commission.

"Communication" or "communication service" means the "transmission" of writing, signs, signals, pictures, and sounds of all kinds, by the aid of wire, cable, or radio, between the points of origin and reception of such "transmission," including all instrumentalities, facilities, apparatus, and services (among other things, the receipt, forwarding, and delivery of communications) incidental to such "transmission."

"Continental communication" means "communication" when both the point of origin and the point of destination are located within the "continental United States."

"Continental terminus" means a "fixed station" or a "land station" located within the "continental United States" that is used for direct communication with stations located without the "continental United States."

"Continental transmission" means "transmission" of "communication" within the "continental United States."

"Continental United States" means the several States of the United States and the District of Columbia.

"Contingent asset" means an item representing a possible source of value to the "carrier" dependent upon the fulfillment of conditions regarded as uncertain.

"Contingent liability" means an item representing a possible source of obligation of the "carrier" dependent upon the fulfillment of conditions regarded as uncertain.

"Control" means (and the terms "controlling," "controlled by," and "under common control with" relate to) the direct or indirect possession of the power (including the veto power) to direct or to cause the direction of the management, important acts, and policies of a "person," whether such power is exercised through one or more intermediary "persons," or alone, or in conjunction with, or pursuant to an agreement with one or more other "persons," and whether such power is established through a majority or a minority ownership or voting of securities, common directors, officers, or stockholders, voting trusts, holding trusts, affiliates, contract, or any other direct or indirect means. "Control" shall not be viewed as altered by a new status of any "person" that may be occasioned by proceedings in bankruptcy or by any situation of receivership, trusteeship, or fiduciary relationship resulting from proceedings of a like nature.

"Cost," as applied to plant, means the "original cost" of plant acquired from predecessors as substantially complete operating systems or operating units and the "acquisition cost" of all other plant. Except as applied to plant, "cost" means the amount of money actually paid (or the then current money value of any consideration other than money given) by the "carrier" for property or services.

"Cost of removal" means the cost of demolishing, dismantling, tearing down, or otherwise removing plant, including the cost of transportation and handling incidental thereto.

"Date of installation," as applied to plant acquired from predecessors as substantially complete operating systems or operating units, means the date at which such plant was first dedicated to public use. As applied to all other plant, the term means the date at which such plant was placed in "communication service" by the "carrier."

"Date of retirement" means the date at which plant is retired from "communication service."

"Debt expense" means all expenses incurred by or for the "carrier" in connection with the issuance and sale of evidences of debt (exclusive of the sale of reacquired securities), such as fees for drafting mortgages and trust deeds; fees and taxes for issuing or recording evidences of debt; cost of engraving and printing bonds, certificates of indebtedness, and other commercial paper; specific costs of obtaining governmental authority for issuance and filing notices thereunder; fees for legal services; fees and commissions paid underwriters, brokers, and salesmen for marketing such evidences of debt; fees and expenses of listing on exchanges; and other like costs.

"Delayed items" means items relating to transactions that occurred during a prior calendar year and require further accounting treatment for a true statement. It includes adjustments of errors in the operating-revenue, operating-expense, and other income accounts for prior years.

"Depreciation," as applied to depreciable "operated plant," means the loss in "service value" not restored by current maintenance, incurred in connection with the consumption or prospective retirement of such plant in the course of service from causes known to be in current operation against which the "carrier" is not protected by insurance and the effect of which can be forecast with a reasonable approach to accuracy. Among the causes to be given consideration are wear and tear, decay, action of the elements, obsolescence, inadequacy, changes in the art, changes in demand, and requirements of public authorities.

"Discount," as applied to securities issued or assumed by the "carrier," means the excess of (1) the "book amount" of the securities over (2) the then current money value of the consideration received from their sale less the amount included therein for dividends or for interest accrued.

"Domestic message revenue" means revenue from the "transmission" of messages between points within the are comprising the "Continental United States," Alaska, Canada, Saint Pierre,-Miquelon, and Mexico. It includes revenue from both "fixed transmission" and "mobile transmission" of messages within such area.

"Face amount," as applied to securities issued or assumed by the "carrier," means the amount of principal set forth in the documents themselves.

"Fixed communication" means "communication" when both the point of origin and the point of destination are "fixed stations."

"Fixed communication revenue" means revenue derived from "fixed transmission."

"Fixed station" means a "station" not capable of being moved that is used for communication with one or more other "fixed stations."

"Fixed transmission" means "transmission" of "fixed communication."

"Foreign communication" means "communication" when either the point of origin or the point of destination is located without the "United States."

"Foreign communication revenue" means revenue derived from "foreign transmission."

"Foreign transmission" means "transmission" among foreign stations and between foreign stations and the "continental terminus" of "foreign communication."

"Includible" means properly includible under the provisions of "this system of accounts."

"Insular communication" means "communication" between the insular territories or possessions of the United States (excluding the Canal Zone), and the "continental United States," or among the insular territories or possessions of the United States (excluding the Canal Zone).

"Insular transmission" means "transmission" between insular stations and the "continental terminus" of "insular communication" or among insular stations.

"Investment advances" means advances, represented by notes or by book accounts only, which it is mutually agreed or intended between the creditor and the debtor shall be settled by the issuance of capital stock or evidences of long-term debt, or shall not be subject to current settlement. Advances with respect to which amounts have been included in the current accounts for more than 1 year will be considered not subject to current settlement.

"Land station" means a "station" not capable of being moved that is used for communication with "mobile stations."

"Marine communication" means "communication" when either the point of origin or the point of destination is a "ship station."

"Marine transmission" means "transmission" among "ship stations" or between "ship stations" and "land stations."

"Matured" means due and payable (or receivable) as at a date not later than the first day following the date of the balance sheet.

"Minor items," as applied to plant, means those items of depreciable "operated plant" not designated as "retirement units" in § 34.1-6-1.

"Mobile communication" means "communication" when either the point of origin or the point of destination is a "mobile station."

"Mobile communication revenue" means revenue derived from "mobile transmission."

"Mobile station" means a "station" capable of being moved and which ordinarily does move.

"Mobile transmission" means "transmission" of "mobile communication." It includes transmission of such communication between stations that do not communicate directly with "mobile stations."

"Net book cost," as applied to a specific portion of plant, means the "book cost" of that portion minus that part of the related depreciation (or amortization) allowance account that is assignable to that portion of the plant.

"Net salvage value" means the "salvage value" of plant retired after deducting the "cost of removal" incidental to its retirement.

"Nominally issued," as applied to securities issued or assumed by the "carrier," means those securities that have been signed, certified, or otherwise executed, and placed with the proper officer for sale and delivery, or pledged or otherwise placed in some special fund of the "carrier," but have not been sold or issued directly to trustees of debt-redemption or other funds.

"Nominally outstanding," as applied to securities issued or assumed by the "carrier," means those "actually issued" securities that have been reacquired by or for the "carrier" under circumstances that prohibit considering them retired: *Provided, however,* That securities held by trustees of debt-redemption or other funds shall be regarded and treated as "actually outstanding."

"Operated plant" means physical plant used solely for regulated "radiotelegraph service" or in common with nonregulated operations together with associated intangible items.

"Original cost," as applied to plant, means the actual money cost of (or the then current money value of any consideration other than money given for) property at the time it was first dedicated to the public use, whether by the "carrier" or by any other "person."

"Person" means an individual, a corporation, a partnership, an association, a joint-stock company, a business trust, or any other organized group, or any receiver or trustee.

"Plant retired" means plant that has been removed, sold, abandoned, destroyed, or for any cause withdrawn from "communication service."

"Premium," as applied to securities issued or assumed by the "carrier," means the excess of (1) the then current money value of the consideration received from their sale, less the amount included therein for dividends or interest accrued, over (2) their "book amount."

"Primary account" means (1) any account the name or title of which appears in the table of contents of "this system of accounts" or (2) any additional clearing account or experimental account optionally maintained pursuant to the provisions of § 34.03-5.

"Radiotelegraph plant" means plant used or useful in furnishing "radiotelegraph service."

"Radiotelegraph service" means "communication service" furnished by means of radiotelegraph, including incidental services so intimately related to such service as to make impracticable the determination of the extent to which plant, income, revenue, or expenses are related to such incidental services.

"Replacement" means the construction or installation of plant in place of "plant retired."

"Retirement." (See "plant retired.")

"Retirement units" means the items of depreciable "operated plant" listed in § 34.1-6-1 of "this system of accounts."

"Salvage value" means the amount received for "plant retired," if sold, less any expenses incurred in connection with such sale or in preparing the property for sale; or, if retained, the amount at which the material recovered is chargeable to account 1795, "Material and supplies," or other appropriate account.

"Service life" means the period between the "date of installation" of plant and the "date of retirement" thereof.

"Service value" means the difference between the "cost" of plant and its "net salvage value."

"Ship station" means a "station" located on a ship, vessel, or other water craft (except aircraft) used or capable of being used as a means of transportation on water, whether or not it is actually afloat.

"Station" means a complete transmitting or receiving system or operating unit at a particular location, used in "radiotelegraph service."

"Stock expense" means all expenses incurred by or for the "carrier" in connection with the issuance and sale of capital stock (exclusive of the sale of reacquired capital stock), such as fees and commissions paid to promoters, underwriters, brokers, and salesmen; fees for legal services; cost of soliciting subscriptions for capital stock, including fees, commissions, and advertising; specific costs of obtaining governmental authority for issuance and filing notices thereunder; fees and taxes for issuance of capital stock and listing on exchanges; and the cost of preparing, engraving, printing, issuing, and distributing prospectuses and stock certificates.

"Straight-line method" as applied to depreciation accounting, means the plan under which the "service value" of depreciable "operated plant" is charged to depreciation, clearing, and other accounts and credited to the depreciation-allowance account through equal charges (as nearly as may be) during its "service life."

"Subclass," as applied to depreciable plant, means that portion of a "class" of plant, preferably corresponding to one or more "subprimary" plant accounts, to the cost of which a specific percentage rate of depreciation is applied in accounting for "depreciation," which percentage rate differs from those that are applied with respect to other "subclasses" of the same "class" of such plant.

"Subprimary account" means any account, required or permitted by "this system of accounts," the balance in which, if combined with the balance in other such accounts subprimary to the same account, will produce the balance in that "primary account."

"System of accounts" or "this system of accounts" means the rules embodied in this part.

"Transmission" means the movement of "communication." It includes the receiving, forwarding, and delivery of communications.

"Transoceanic message revenue" means revenue from the "transmission" of messages between points outside the area comprising the "Continental United States," Alaska, Canada, Saint Pierre-Miquelon, and Mexico, and between such points and points designated as gateway points (or "Continental terminus"). It includes revenue from both "foreign transmission" and "insular transmission" of messages between such points.

"United States" means the several States and Territories, the District of Columbia, and the possessions of the

United States, but does not include the Canal Zone.

[28 FR 13102, Dec. 5, 1963, as amended at 48 FR 45084, Sept. 30, 1983]

INSTRUCTIONS; GENERAL

§ 34.03-1 Classes of records.

The records to be maintained in accordance with the provisions of this part are divided into two classes: Viz, (a) books of account, containing the primary and subprimary accounts defined in § 34.02-1, and (b) supporting records. (See also §§ 34.03-2 and 34.03-3.)

NOTE: The periods for which these records are to be retained are set forth in Part 42 of this chapter.

§ 34.03-2 Basis of entries in books of account.

(a) Amounts entered in the books of account shall be in denominations of United States currency. When subsidiary records are kept in which entries are made in foreign currencies the conversion to United States currency for entry in the books of account shall be effected as prescribed in § 34.05-16.

(b) The books of account shall be so maintained that when the full information is not recorded therein the entries shall contain sufficient reference to the supporting records to permit ready identification.

(c) Each carrier shall keep its books of account on a calendar-month basis so that for each month all transactions applicable thereto, as nearly as may be ascertained, will be entered in the books. The final entries for any month shall be made not later than 60 days after the last day of the month for which the accounts are stated, except that the period within which the final entries for the month of December shall be made may be extended to such date as will not interfere with the preparation and filing of annual reports as required by section 219 of the act.

(d) The books of account shall be maintained independently for each carrier and shall not be combined with those of any other person.

§ 34.03-3 Records supporting accounting entries.

Supporting records shall be maintained in which shall be shown the full details concerning any entry in the books of account for which the details are not shown in the accounts themselves. The supporting records referred to herein include, in addition to accounting records in a limited technical sense, all records such as minute books, stock books, reports, correspondence, memoranda, and any and all other records that would be useful in developing the history of or the facts regarding any transaction. The detail records shall be so filed as to be readily accessible for examination by representatives of this Commission.

§ 34.03-4 Transactions with affiliates.

Each carrier shall so maintain its accounts and records as to be able to furnish accurately and expeditiously a statement of all transactions with affiliates. This statement shall show the general nature of the transactions, the amounts involved therein, and the amounts included in each account prescribed herein with respect to such transactions.

§ 34.03-5 Summary accounts, subaccounts, additional clearing accounts, and temporary or experimental accounts.

(a) Accounts that are clearly summaries of other accounts or subaccounts provided for herein are not required to be kept in the carrier's books of account. However, such accounts may be opened in the general books for control purposes.

(b) All accounts kept shall conform in number and title to those prescribed herein, except that:

(1) Carriers may subdivide any of the accounts, provided such subdivisions do not impair the integrity of the prescribed accounts. The titles of all such subdivisions shall refer by number or title to the account or accounts of which they are subdivisions.

(2) Clearing accounts (in addition to those prescribed) and temporary or experimental accounts may be kept, provided such additional accounts do not impair the integrity of the prescribed accounts.

(c) Within 90 days from the effective date of this system of accounts, the carrier shall notify this Commission of the nature and purpose of (1) the subdivisions of the prescribed accounts, (2) the temporary accounts, (3) experimental accounts, and (4) additional clearing accounts, opened under authority of this section. The carrier shall continue to keep the Commission informed of all additional accounts (or subaccounts) of these types opened after such effective date. Only one item need be reported for a group of subaccounts that differ from each other only with respect to geographical location or type of material.

§ 34.03-6 Transferring balances from accounts previously maintained.

As at the effective date of this part, the several accounts prescribed herein shall be opened by transferring thereto the balances carried in the accounts previously maintained by the carrier. The carrier is authorized to make such subdivisions, reclassifications, or consolidations of these balances as are necessary to meet the requirements of this system of accounts. Entries that require the determination of cost by estimates shall be supported by records showing in complete detail the methods used in arriving at or computing the amounts thereof. Copies of journal entries recorded to effect the transfers, and a detailed statement of the methods used in arriving at or computing estimated costs, shall be filed with this Commission within 90 days from the dates of the entries.

§ 34.03-7 Charges to be just and reasonable.

All charges to the accounts prescribed in this part for plant, operating revenues and operating expenses, and other operating revenue deductions, shall be just and reasonable, and any payments by the carrier in excess of such just and reasonable charges shall be included in account 5299, "Other deductions from ordinary income."

§ 34.03-8 Entries involving telephone, wire-telegraph, or ocean-cable service.

(a) When radiotelegraph carriers are engaged also in furnishing telephone, wire-telegraph, or ocean-cable services through the utilization of distinctive portions of their facilities devoted exclusively or primarily to such services, they shall maintain their accounts for plant, operating revenues, operating expenses, and other items applicable to each such service in conformity with the respective effective rules governing carriers engaged primarily in furnishing such service.

(b) The cost of distinctive telephone, wire-telegraph, or ocean-cable plant shall be reported in account 1530, "Telephone, wire-telegraph, and ocean-cable plant." The amounts in the allowance accounts for depreciation and amortization of such plant shall be reported in account 1535, "Allowance for depreciation and amortization; telephone, wire-telegraph, and ocean-cable plant." The amount of revenue derived from the operation of such plant shall be reported in account 3910, "Telephone revenue; telephone systems," or account 3920, "Wire-telegraph and ocean-cable revenue; wire systems," as appropriate. The amounts of operating revenue deductions applicable to the operation of such plant shall be reported in account 4945, "Telephone, wire-telegraph, and ocean-cable operating revenue deductions."

(c) When the major use of a particular portion of the carrier's plant is in radiotelegraph service, but the same facilities are used also in other types of communication service in a manner preventing the distinction of the physical elements associable with such services, the distribution of the operating revenues, operating expenses, and other deductions from operating revenues among the several classes of communication service where directly applicable shall be accomplished by subdivisions of the prescribed accounts, except that revenues derived from telephone service rendered through the use of such plant shall be included in account 3755, "Telephone service revenue." (See also § 34.03-17.)

§ 34.03-9 Sequence of accounts not indicative of reports required.

The order in which the accounts are presented in this system of accounts is not to be considered as necessarily indicative of the order in which they will be scheduled at all times in reports to this Commission. The sequence contemplated (until further notice) will be as indicated in the respective forms which immediately precede the texts for the several groups of accounts.

§ 34.03-10 Research and development.

(a) The cost of preliminary surveys, plans, and investigations made for the purpose of determining the feasibility of contemplated major projects shall be charged to account 1935, "Preliminary survey and investigation charges," and subsequently cleared therefrom in accordance with the text of that account.

(b) The cost of research and development work such as laboratory expenses and other research items that can not be assigned to specific construction projects shall be charged to account 9010, "Research and development; undistributed," and subsequently cleared therefrom in accordance with the text of that account.

§ 34.03-11 Interpretation of the prescribed accounting.

Responsible accounting officials of the carrier shall submit all questions involving interpretation of the prescribed accounting to this Commission for consideration and decision.

§ 34.03-12 Item lists.

The lists of items following the texts of the several accounts are for the purpose of indicating the application of the prescribed accounting in specific cases. The lists are not to be considered as comprising all the items includible in the several accounts, but merely representative of them. Inasmuch as the same item frequently appears in more than one list, the appearance of an item in a list warrants the inclusion of such item in the account concerned only when the text of the account also indicates its inclusion. The proper entry in each instance must be determined by the text of the account.

§ 34.03-13 Delayed items.

Delayed items shall be charged or credited to the same accounts that would have been charged or credited if the items had not been delayed: *Provided*, That when the amount of a delayed item is relatively so large that its inclusion in the accounts for a single year would seriously distort the accounts for that year, the carrier shall charge or credit the amount to account 6210, "Delayed income charges," or account 6110, "Delayed income credits," as appropriate.

§ 34.03-14 Unaudited items.

(a) When, at the end of a calendar year or at such other time as a financial statement may be required by this Commission, it is known that a transaction has occurred which affects these accounts but the amount involved in the transaction and its effect upon the accounts cannot be accurately determined, the amount shall be estimated and such estimated amount included in the appropriate accounts. The carrier is not required to anticipate minor items that would not appreciably affect these accounts.

(b) If, during the interval between the date of initial estimate of the item and the date on which it is audited, a substantial difference from the initial estimate is determined, appropriate adjustment to cover such difference shall be made in the accounts for the month in which the difference is determined.

(c) When the item is audited, the necessary adjustment shall be made in the appropriate account for the month in which the item is audited.

(d) Any substantial difference determined in accordance with paragraph (b) or (c) of this section shall be accounted for as provided in § 34.03-13 or § 34.03-15, as appropriate.

§ 34.03-15 Unusual items.

When the amount of any unusual item includible in an operating revenue, operating expense, or other income account for a single month is relatively so large that its inclusion in the accounts for that month would seriously distort those accounts, it may be included in account 1999, "Other deferred charges," or account 2399, "Other deferred credits," as appropriate, and distributed in equal amounts to the accounts for the current and remaining months of the calendar year.

§ 34.03-16 Transactions involving foreign currency.

(a) Amounts to be entered in the accounts of this system that are originally stated in terms of foreign currency or that arise from contracts stated in terms of such foreign currency shall be recorded at the rate of exchange effective at the date as of which the original transaction occurs. (For the purposes of this part a contractual common denominator, such as the gold franc, shall be viewed as a unit of foreign currency, irrespective of the facts regarding actual monetary circulation.)

(b) Gains or losses due to the difference in the rates of exchange developing between the date of the original transaction referred to in paragraph (a) of this section and the date of realization, liquidation, or settlement in cash or its equivalent, shall be credited or charged, as appropriate, to account 5140, "Gain or loss on foreign currency exchange." Such differences shall be recorded by stages in the course of monthly restatements of current assets and current liabilities on basis of the latest applicable rates of exchange. Other balance sheet accounts shall not reflect changes, prior to cash or equivalent settlement, in the rate of exchange.

§ 34.03-17 Apportioning amounts among accounts including amounts between regulated and nonregulated operations.

(a) When it is necessary to apportion amounts among accounts or subaccounts, the carrier shall be prepared to describe the basis of such apportionment.

(b) The pay and expenses of officers or employees regularly assigned to specific duties who perform incidental services of a different nature involving small expense shall be included in the expense accounts appropriate for the duties to which such officers or employees are regularly assigned.

(c) The pay and expenses of officers or employees engaged in activities of a varying nature, such as a supervising engineer who may be assigned to construction, maintenance, or operation work, shall be included in the appropriate account upon basis of the actual time engaged in the respective classes of work, except that the pay and expenses of an officer or employee who performs substantially the same variety of duties from day to day may be distributed upon basis of a study of the time actually engaged during a representative period.

(d) All subject carriers must submit detailed allocation procedures by account to be used to separate those costs incurred by the carrier that are common to both the carrier's operations and its affiliate's operations or in common to both the carrier's regulated and nonregulated operations. These procedures and any revisions must be filed with the Commission 90 days prior to their implementation. Unless notified within 90 days by the Commission of its objections, the procedures will become the basis for the allocation of common costs between regulated and nonregulated activity. (See §§ 34.1625 and 34.1749.)

[28 FR 13102, Dec. 5, 1963, as amended at 48 FR 45084, Sept. 30, 1983]

§ 34.03-18 Transactions involving joint operations.

(a) In accounting for operating expenses incurred under arrangements for apportionment between persons concerned, the carrier shall distribute its portion of the entire expense to the appropriate operating expense accounts.

(b) Any amounts included in the settlement representing return on investment in the plant used under joint-operation arrangements shall be charged or credited, as the case may be, to the appropriate rent-expense account or to the appropriate rent-revenue account.

(c) The creditor shall show the distribution of the charges in its bills and such distribution shall be adhered to in the accounts of the debtor.

INSTRUCTIONS; DEPRECIATION ACCOUNTING

§ 34.04-1 Classes of depreciable operated plant.

The classes of depreciable operated plant and the accounts in which the cost of such plant is included are as follows:

Land improvements (account 12).
Drainage, sewerage, gas, and water systems (account 13).
Buildings (account 14).
Towers and masts (account 21).
Antenna systems (account 22).
Control lines (account 26).
Power-supply lines (account 27).
Radio transmitter equipment (account 31).
Cooling apparatus (account 33).
Receiver equipment (account 34).
Power supply and distribution equipment (account 36).
Ocean cable (account 37).
Control apparatus (account 40).
Equipment on customers' premises (account 41).
Furniture and office equipment (account 51).
Ship station equipment (account 61).
Other mobile station equipment (account 69).
Transportation equipment (account 71).
Shop equipment, tools, and implements (account 72).
Store and warehouse equipment (account 73).

[32 FR 2635, Feb. 8, 1967]

§ 34.04-2 Computation of depreciation rates.

(a) Depreciation charges shall be computed by applying with respect to each month's accounts one-twelfth of the annual percentage rate considered applicable to the cost of each class or subclass of depreciable plant. These percentage rates shall be based upon the estimated service values and service lives developed by a study of the carrier's history and experience and such engineering and other information as may be available with respect to prospective future conditions, but shall not include any allowance for loss in service value of property expected to be acquired in the future. These percentage rates shall be such that the loss in service value of plant, except losses excluded under the definition of depreciation, shall be accounted for under the straight-line method of depreciation accounting.

(b) The carrier shall keep such records of plant and plant retirements as will reflect the service life of plant that has been retired or will permit the determination of service-life indications by mortality, turnover, or other appropriate methods and also such records as will reflect the percentage of net salvage value for plant retired from each class of depreciable plant.

(c) When, with respect to any class or subclass of plant, the rate of depreciation previously applied in the accounts is no longer applicable for any reason, the carrier shall take such steps as are required (see § 43.43 of this subchapter) to put into effect at the earliest practicable date such new depreciation rate (computed as provided in paragraph (a) of this section) as is then appropriate to give recognition to the currently estimated total service-life and net-salvage factors. However, a carrier, upon receiving prior approval from the Commission or, upon prescription by the Commission, shall apply such depreciation rate as will amortize the difference between the net book cost of a class or subclass of plant and its estimated net-salvage value during the known or estimated remaining service life of that plant. Any carrier which, at the effective date of this rule, is applying the remaining-life method of depreciation accounting may continue to do so unless otherwise directed by the Commission.

(d) The Commission's preference is that depreciation rates and charges be calculated by application of a generally accepted group method applied in a manner to accomplish a straight-line allocation of service value. However, a carrier, upon receiving prior approval from the Commission or, upon prescription by the Commission, may apply depreciation rates determined by use of other methods or allocation patterns.

[28 FR 13102, Dec. 5, 1963, as amended at 46 FR 9110, Jan. 28, 1981]

§ 34.04-3 Depreciation charges.

(a) The current depreciation charges applicable to operated plant the cost of which is includible in account 1000, "Operated plant in carrier's service," and account 1200, "Improvements and replacements of operated plant leased from others," shall be recorded monthly in account 4910, "Depreciation," or in the clearing accounts, as appropriate, and corresponding credits shall be recorded in account 1515, "Allowance for depreciation; radiotelegraph plant." (See also § 34.1-5.)

(b) When, under the terms of a lease, the carrier, as lessor, is required to replace or to restore the condition of operated plant the cost of which is includible in account 1100, "Operated plant leased to others," the current depreciation charges shall be recorded monthly in account 5010, "Income from operated plant leased to others," and corresponding credits shall be recorded in account 1515. "Allowance for depreciation; radiotelegraph plant." (See also § 34.30-3.)

(c) When, under the terms of a lease, the carrier, as lessee, is required to replace or to restore the condition of operated plant leased from others, depreciation charges with respect to such original leased plant shall be computed and applied as provided in § 34.1-5.

(d) Depreciation charges initially accounted for by the lessor shall be reported to and accounted for by the lessee as provided in paragraph (c) of § 34.30-3.

§ 34.04-4 Plant retired for causes not known to be in current operation.

(a) The accounting for operated plant retired for causes not known to be in current operation shall be as provided in paragraph (a) of § 34.1-6 and account 4925, "Extraordinary plant losses."

(b) If the cause of the retirement is a loss covered by insurance for which provision has been made in account 2215, "Provision for self-carried insurance," the loss shall be charged to that account to the extent of the amount so provided. If the loss is not covered by insurance the carrier may, with the approval of this Commission, credit account 1515, "Allowance for depreciation; radiotelegraph plant," and charge account 1910, "Extraordinary maintenance, depreciation, and retirements," with the unprovided-for loss in service value, and distribute it from the latter account to account 4925, "Extraordinary plant losses," over such period as this Commission may approve. The carrier's application to this Commission for permission to charge account 1910, shall give full particulars concerning the plant retired, the unprovided-for service loss and the period over which, in its judgment, such charges should be distributed.

§ 34.04-5 Plant retired compensated for by termination charges.

When charges for terminations of service are made which are designed to recover a loss in service value resulting therefrom a charge to account 4925, "Extraordinary plant losses," shall be made as provided for in paragraph (b) of that account.

INSTRUCTIONS FOR CLASS B CARRIERS

§ 34.05-1 Primary operating revenue accounts for class B carriers.

Class B carriers shall keep all the operating revenue accounts prescribed for class A carriers that are applicable to their affairs, except that they may keep the following account in lieu of the nontransmission revenue accounts:

3800 *Nontransmission revenues.* This account shall include the carrier's portion of revenues from radiotelegraph operations other than transmission. It shall include all the operating revenues includible by class A carriers in accounts 3805 to 3890, inclusive.

§ 34.05-2 Primary operating expense accounts for class B carriers.

Class B carriers shall keep all the operating expense accounts prescribed for class A carriers that are applicable to their affairs, except that certain accounts may be combined as follows:

4280 *Messenger service expense.* This account shall include the amount of all expenses incurred in furnishing messenger service. It includes all expenses includible by class A carriers in accounts 4281 to [illegible] inclusive.

4290 *Other conducting-operations expenses.* This account shall include the amount of expenses incurred in conducting operations not provided for elsewhere. It includes all expenses includible by class A carriers in accounts 4210, 4225, 4235, 4240, 4250, 4255, 4260, 4270, 4275, and 4299.

4300 *Administrative expenses.* This account shall include the administrative expenses of the carrier. It includes all expenses includible by class A carriers in accounts 4310 to 4399, inclusive.

4400 *General expenses.* This account shall include the general expenses of the carrier. It includes all expenses includible by class A carriers in accounts 4410 to 4499, inclusive.

REPORTING REQUIREMENTS

§ 34.06-1 Provisions that require specific approval of Commission before accounting is performed.

(a) Specific authority shall be obtained from this Commission before entering charges representing unprovided-for loss in service value in account 1910, "Extraordinary maintenance, depreciation, and retirements." (See paragraph (b) of § 34.04-4.)

(b) A statement indicating the plan of accounting proposed to record the exchange of securities issued or assumed by the carrier shall be submitted to this Commission for consideration and approval prior to the recording of journal entries applicable thereto. (See § 34.10-8.)

(c) A statement indicating the plan of accounting proposed to record the issuance of no-par stock, the appropriation of surplus for transfer to no-par capital stock account, the reduction of capital surplus through the use of the no-par capital stock account, or the reduction of account 2410, "Capital stock issued," through the creation of surplus or the reduction of book value of assets, shall be submitted to this Commission for consideration and approval prior to the recording of journal entries applicable thereto. (See paragraph (c) of § 34.10-9.)

(d) Specific authority shall be obtained from the Commission if, in connection with the refinancing of an issue or series of bonds or other long-term debt, the carrier desires to amortize any of the discount, expense, or premium associated with the issuance or redemption of the prior issue over a period subsequent to the date of its redemption. (See paragraph (f) of § 34.10-14.)

(e) Specific authority shall be obtained from this Commission before disposing of amounts entered in account 1510, "Plant acquisition adjustments." (See § 34.1510(e).)

(f) Carriers desiring to use accounts 1599, "Foreign investment in communication plant," and 5089, "Income from foreign operations," shall advise this Commission at least 60 days before the effective date of this system of accounts.

(g) Carriers desiring to change the operational procedure adopted for recording foreign investments and foreign income shall advise this Commission at least 90 days before the proposed date of such change. (See §§ 34.1599 (d) and 34.5089(d).)

(h) Specific authority shall be obtained from this Commission before using account 2220, "Provisions for equalization of maintenance expenses," and account 4198, "Maintenance-expense equalization." (See §§ 34.2220 (a) and 34.4198(a).)

(i) Specific authority shall be obtained from this Commission before transferring any amounts credited to account 2515, "Contributions of plant," to another account. (See § 34.2515 (b).)

(j) A statement indicating the plan of accounting proposed to record the acquisition of duplicate and other plant acquired from predecessors which is intended to be retired shall be submitted to this Commission for consideration and approval prior to the recording of journal entries applicable thereto. (See paragraph (d)(3) of § 34.1-2.)

(k) Specific authority shall be obtained from this Commission before including in construction cost any interest covering a period of more than 6 months from the date of suspension of construction work. (See paragraph (c)(8) of § 34.1-3.)

(l) Amounts included in account 1999, "Other deferred charges," and account 2399, "Other deferred credits," representing settlements with lessees upon termination of leases shall not be disposed of except upon the specific approval or direction of this Commission (See paragraph (g) of § 34.1-5.)

(m) Amounts included in account 2225, "Provisions for depreciation and replacement of operated plant leased from others," and account 2230, "Leased operated plant retired," with respect to expired leases shall not be disposed of except upon the specific approval or direction of this Commission. (See paragraph (f) of § 34.1-6.)

(n) Specific authority shall be obtained from this Commission before recording amounts in accounts 4950, "Revenue-contract payments," and 5260, "Revenue-contract payments." (See §§ 34.4950 and 34.5260.)

(o) Specific authority shall be obtained from this Commission before transferring any amounts relating to abandoned projects charged to account 9010, "Research and development; undistributed," to any account other than account 6299, "Other extraordinary income charges." (See note to § 34.9010.)

(p) Specific authority shall be obtained from this Commission before the elimination of or substitution for retirement units. (See paragraph (b) of § 34.1-6-1.)

§ 34.06-2 Provisions that require certain special reports to be filed.

(a) A statement indicating the nature and purpose of subdivisions of the prescribed accounts, of experimental accounts, of temporary accounts, and of additional clearing accounts that have been opened in the books of account shall be filed with this Commission within 90 days of the effective date of this system of accounts. The carrier shall continue to keep the Commission informed of all additional accounts or subaccounts of these types subsequently opened. (See paragraph (b)(3) of § 34.03-5.)

(b) Copies of journal entries recorded to effect the transfers of balances carried in accounts previously maintained by the carrier, and a detailed statement of the method used in computing estimated cost, shall be submitted to this Commission within 90 days from the dates of the actual entries. (See § 34.03-6.)

(c) A statement showing the full particulars concerning any relatively large delayed item included in account 6110, "Delayed income credits," or account 6210, "Delayed income charges," shall be filed with this Commission within 30 days from the dates of the actual entries. (See § 34.03-13.)

(d) A transcript of the capital surplus accounts, together with a summary statement of the charges and credits, maintained prior to the effective date of this system of accounts shall be filed with this Commission within 90 days of the effective date of this system of accounts. (See paragraph (e) of § 34.10-10.)

(e) A statement showing the details concerning contingent assets and contingent liabilities shall be filed with the annual report to this Commission. (See §§ 34.10-16 and 34.1751 (b).)

(f) Copies of journal entries recording the acquisition of certain major properties shall be submitted to this Commission within 90 days from the dates of the actual entries. (See paragraph (g) of § 34.1-2.)

(g) Copies of journal entries recording the completion of the prescribed accounting for plant acquisitions shall be submitted to this Commission within 90 days from the date that the clearing entries relating to each acquisition are made. Within 90 days from the date of any entry recording an acquisition, the carrier shall submit to this Commission a statement indicating the approximate date contemplated for the completion of the clearing entries relating thereto. (See particularly paragraph (g) of § 34.1-2 and § 34.91 (b).)

(h) Not later than June 30, 1940, each carrier shall submit to this Commission for consideration and approval its plan for the establishment and maintenance of a continuous property-record. (See paragraph (b) of § 34.1-8.)

(i) An annual report shall be submitted to the Commission with respect to retirement units in accordance with the provisions of paragraph (d) of § 34.1-6-1.

BALANCE-SHEET ACCOUNTS

INSTRUCTIONS

§ 34.10-1 Purpose of balance-sheet accounts.

The balance-sheet accounts are designed to show the financial position of the carrier as at a given date.

§ 34.10-2 Current assets.

(a) Current assets are cash, those assets that are readily convertible into cash or are held for current use in operations or construction, current claims against others the payment of which is reasonably assured, and amounts accruing to the carrier that are subject to current settlement, except that bonds and other obligations of others classified by the carrier in investment and fund accounts at the time of acquisition shall remain so classified until the date of payment, sale, or other disposition thereof.

(b) There shall not be included in the group of accounts designated as current assets any item the collectibility of which is not reasonably assured unless adequate allowance has been made therefor in account 1765, "Allowance for uncollectible receivables." Items of current character but of doubtful value may be reduced in amount and, for record purposes, carried in these accounts at nominal value. The amounts of such reductions, or the amounts provided for by credits to account 1765, shall be charged to account 4935, "Uncollectible revenues," account 5299, "Other deductions from ordinary income," or account 6299, "Other extraordinary income charges," as appropriate.

§ 34.10-3 Prepayments.

(a) Prepayments are amounts paid by the carrier for services to be rendered during a subsequent accounting period.

(b) When advance payments are made, the appropriate account shall be charged with the amount of such payments. As the term expires for which the advance payments were made, the prepayment account shall be credited at monthly intervals and the appropriate expense account or other account shall be charged with the amount applicable to the expired term.

§ 34.10-4 Deferred charges.

Deferred charges are amounts representing (a) debit items held in suspense pending determination of their actual status, (b) costs of services that have been rendered to the carrier but are chargeable to future operations, and (c) items which for other reasons are allocable to other appropriate accounts for a succession of future periods.

§ 34.10-5 Current liabilities.

(a) Current liabilities are those obligations that have become matured at the date of the balance sheet or that will become due within 1 year from the date thereof (except bonds, receivers' and trustees' securities, and similar obligations, which shall be classified as long-term debt until the date of maturity); matured taxes, such as income taxes, which shall be classified (in the balance sheet) as current liabilities even though payable more than 1 year from the balance-sheet date; compensation awards, which shall be classified as current liabilities regardless of the date due; and minor amounts payable in installments, which may be classified as current liabilities.

(b) The liability-accrual accounts shall include the amounts of interest, taxes, rents, and other items with respect to which amounts eventually payable have been recorded as deductions from revenue or income but which have not matured. (See also paragraph (a) of § 34.03-17.)

§ 34.10-6 Long-term debt.

(a) When evidences of debt that, according to their terms, do not mature until more than 1 year from date of issuance are issued or assumed by the carrier or by a receiver or an operating trustee of the carrier, the face amount of such evidences of debt shall be recorded in the appropriate account under the caption "Long-term debt." (See also § 34.10-14.)

(b) If a liability, other than compensation awards or minor amounts payable in installments, is due more than 1 year from date of issuance or assumption by the carrier, it shall be credited to a long-term debt account appropriate for the transaction, but, for the purpose of classification in the balance sheet, a debt (except bonds, receivers' and trustees' securities, and similar obligations) shall be classified as a current liability if due within 1 year from the balance-sheet date.

§ 34.10-7 Book cost of securities owned.

(a) Securities of others acquired by the carrier shall be recorded in these accounts at cost. Such cost shall not include any amount paid for dividends or for interest accrued.

(b) The carrier's records shall be so maintained as to show separately the cost of (1) common stock, (2) preferred stock, and (3) long-term debt.

(c) The carrier's records shall be so maintained that in the reports to this Commission the securities, classified as in paragraph (b) of this section, that are pledged as collateral security for any of the carrier's or other persons' long-term debt or short-term loans or to secure the performance of contracts may be shown separately from the securities, similarly classified, that are unpledged.

(d) There shall not be included in the accounts designated as investment and fund accounts any amount the ultimate realization of which is not reasonably assured unless adequate allowance has been made therefor in account 1699, "Allowance for doubtful investments." The book cost of securities includible in such accounts shall be reduced to a nominal amount if there is no reasonable prospect of substantial value, but fluctuations in market value shall not be recorded in the accounts. Amounts by which these securities are thus reduced or amounts provided for by credits to account 1699, shall be charged to account 6299, "Other extraordinary income charges."

(e) When securities authorized by State laws for inclusion in legal reserve funds required by such laws, and in other similar fiduciary funds requiring a qualification for the investment thereof, and with a fixed maturity date (other than securities issued or assumed by affiliates), are purchased at a discount (i.e., when the total cost including brokerage fees, taxes, commissions, and similar costs is less than the face amount of the securities), such discount shall be amortized over the remaining life of the securities through periodic charges to account 1698, "Amortized discount and premium on investment securities," and credits to the account in which is recorded the interest from such securities. When such securities are purchased at a premium (i.e., when the total cost including brokerage fees, taxes, commissions, and similar costs is in excess of the face amount of the securities), such premium shall be amortized over the remaining life of the securities through credits to account 1698 and charges to the account in which is recorded the interest from such securities. No amounts shall be entered for amortization of discount or premium on securities with respect to which a reduction in book cost or a provision for doubtful value has been made. Any amounts in account 1698 representing the amortization of discount or premium on securities with respect to which a reduction in book cost or a provision for doubtful value is made shall be cleared by charges or credits, as appropriate, to the account in which is recorded the interest from such securities. (See also §§ 34.03-13 and 34.03-15.)

(f) If securities actually issued or assumed by the carrier and reacquired by it are not retired, they shall be entered at book amount in account 2015, "Bonds reacquired," or account 2415, "Capital stock reacquired," as appropriate, unless it is required by contractual provision or by decision of a trustee not subject to control by the carrier that they be retained in debt-redemption or other funds. When so retained they shall be regarded and treated as actually outstanding, but not otherwise.

(g) When entries are made in account 2415, "Capital stock reacquired," recording the reacquisition of such stock, entries shall concurrently be made charging account 8315, "Earned surplus employed in reacquisition of capital stock," and crediting account 2615, "Reserve against impairment of stated capital," with amounts equal to the amount charged to account 2415. Upon the resale or retirement of such stock these latter entries shall be reversed.

§ 34.10–8 Exchange of securities.

Before recording the journal entries that it is proposed to enter in the carrier's books to record the reacquisition of capital stock or other securities issued or assumed by the carrier under a plan for the issuance in exchange therefor of the carrier's securities, a statement indicating the plan of accounting proposed by the carrier shall be submitted to this Commission for consideration and approval. Such statement shall give complete information concerning the plan of exchange, the basis upon which the amounts have been determined, and a copy of the authorization issued by the regulatory body approving the plan.

§ 34.10–9 Capital stock.

(a) All transactions relating to capital stock of the accounting carrier shall be recorded by class of stock. Stocks are of the same class only when they are issued under identical terms as to all of the following: par value, stated value, preferences in distribution of dividends and assets, voting rights, and conditions under which they may be retired. If the stocks of the carrier are of two or more classes, the carrier's records shall be so maintained as to distinguish the amount applicable to each class in each of the following accounts:

1775 Subscriptions to capital stock.
1780 Deposits on subscriptions to capital stock.
1915 Capital stock expense.
1925 Discount on capital stock.
2100 Installment-plan receipts on purchase of capital stock.
2410 Capital stock issued.
2415 Capital stock reacquired.
2420 Capital stock subscribed; unissued.
2425 Obligations for stock conversion.
2510 Premiums and assessments on capital stock.

(b) When, by compliance with the laws of the State under which it is incorporated, a carrier is authorized to issue shares of capital stock, a memorandum entry in account 2410, "Capital stock issued," shall be made showing the number of shares, the par or the stated value of each share, and the total authorized capitalization.

(c) Before recording the journal entries that it is proposed to enter in the carrier's books to record (1) the issuance of no-par capital stock, (2) the appropriation of surplus for transfer to the no-par capital stock account, (3) the reduction of capital surplus through the use of the no-par capital stock account, or (4) the reduction of account 2410, "Capital stock issued," through the creation of surplus or the reduction of book value of assets, the plan of accounting shall be submitted to this Commission for consideration and approval. Such plan shall be accompanied by a statement giving complete information with respect to the basis upon which the amounts to be recorded have been determined and a copy of the authorization issued by the regulatory body approving the issuance of no-par stock or the change in the capital stock and surplus accounts.

§ 34.10–10 Surplus.

(a) The accounts designated as capital surplus accounts are designed to show (1) paid-in surplus (i.e., proprietary contributions in excess of the stated capital included in the capital stock accounts), (2) donated surplus (i.e., contributions that increase the assets but do not increase the liabilities or the proprietary interests), (3) surplus arising from reacquisition or resale of, or otherwise trading in, the carrier's own capital stock, and (4) surplus due to the reduction of the stated value of capital stock due to such occasions as retirement, reorganization, or recapitalization.

(b) The balance-sheet accounts designated as earned surplus accounts are designed to show the accumulated undistributed surplus derived from the normal operations of the carrier, including the income from all sources other than the capital gains referred to in paragraph (a) of this section.

(c) Within 90 days from the effective date of this part the carrier shall submit to this Commission a transcript of its capital surplus account or accounts covering the entire period to the effective date of this part, showing in detail the nature and amount of charges and credits, respectively, and the balance that was in the account at the close of each year. The transcript shall be accompanied by a summary statement in which the charges and credits for the entire period covered by the transcript have been classified according to their nature and summarized to show the aggregate amount of each class as well as the aggregate amount of charges and credits, respectively, for the period and the resulting balance in the account at the effective date of this system of accounts.

§ 34.10–11 Provisions for future settlements.

When in anticipation of settlements or similar transactions it is required that certain amounts shall be charged to operating expenses or other accounts without a corresponding reduction in the assets of the carrier, such amounts shall be credited to the appropriate account under the caption, "Provisions for future settlements." The credit balances in these accounts should indicate the estimated amount of future settlements or other extinguishments subsequent to the date of the balance sheet with respect to amounts allocable to periods prior to that date.

§ 34.10–12 Deferred credits.

Deferred credits are amounts representing (a) credit items held in suspense pending determination of their actual status and (b) obligations (e.g., unamortized premium on debt) that have been incurred but are applicable to future operations or income. (See also § 34.31–2(d).)

§ 34.10–13 Discount, expense, and premium on capital stock.

(a) An account shall be maintained for each class of capital stock issued by the carrier (separately from the capital stock accounts) and there shall be included in each such account both the discount and premium associated with the issuance and sale of (exclusive of the sale of reacquired stock), or subscriptions to, each such class of stock.

(b) Stock expense shall not be added to discount, or deducted from premium, on capital stock, but shall be included in account 1915, "Capital stock expense."

(c) Only in stating the balance sheet, the total of the debit balances remaining in the discount and premium accounts shall be reported under account 1925, "Discount on capital stock," and the total of the credit balances shall be reported under account 2510, "Premiums and assessments on capital stock." Accounts with debit balances shall not be offset by accounts with credit balances.

(d) General levies or assessments against stockholders shall be credited to the discount and premium account for the particular class of stock assessed.

(e) Expenses on capital stock issued may be charged off to account 6299, "Other extraordinary income charges," in total or in installments or the amounts thereof may be retained in account 1915, "Capital stock expense," until the stock to which the expense applies is reacquired. Discount or premium on capital stock issued shall be retained in the discount and premium account until the stock is reacquired or until otherwise disposed of lawfully, except that inconsequential amounts of discount that would not appreciably affect the accounts may be charged off to account 8299, "Miscellaneous charges to earned surplus."

(f) When capital stock which has been actually issued by the carrier is reacquired, the difference between (1) the amount paid therefor upon reacquisition and (2) the book amount plus the premium or less the discount and expense originally entered in respect thereto and not charged off shall be charged or credited, as appropriate, to account 2599, "Other capital surplus": *Provided, however,* That such charges shall be made to account 8299, "Miscellaneous charges to earned surplus," if the amounts thereof exceed the balance in account 2599: *And provided further,* That in no event shall charges in excess of accumulated credits from the reacquisition, resale, or retirement of capital stock of the same class be charged to account 2599.

(g) Discount, expense, or premium on capital stock shall not be included in any account as a part of the cost of constructing or acquiring plant or as a part of the cost of operation.

(h) The carrier's records shall be so maintained that in the reports to this Commission there may be shown the extent to which the surplus accounts have been charged or credited in instances in which there is a possibility of further entry in those accounts in the event of resale of reacquired capital stock.

§ 34.10-14 Discount, expense, and premium on long-term debt.

(a) An account shall be maintained for each issue or series of long-term debt issued or assumed by the carrier (separately from the long-term debt accounts) and there shall be included in each such account both the discount and premium associated with the issuance and sale of (exclusive of the sale of reacquired long-term debt) or subscription to each such issue or series of debt.

(b) Debt expense shall not be added to discount, or deducted from premium, on long-term debt, but shall be included in account 1920, "Long-term debt expense."

(c) Only in stating the balance sheet, the total of the debit balances remaining in the discount and premium accounts shall be reported under account 1930, "Unamortized discount on debt," and the total of the credit balances remaining in those accounts shall be reported under account 2310, "Unamortized premium on debt." Accounts with debit balances shall not be offset by accounts with credit balances.

(d) Discount, expense, and premium with respect to each issue or series of long-term debt shall be amortized under such a plan as will equitably distribute the amounts over the life of the securities. The amortization shall be on a monthly basis and the amounts thereof shall be charged to account 5220, "Amortization of debt discount," or account 5245, "Amortization of debt expense," or credited to account 5230, "Amortization of debt premium—Cr.," as appropriate. The carrier may, however, accelerate the writing off of debt expense and extinguish inconsequential amounts of discount (that it would be burdensome to amortize, and would not appreciably affect the accounts) by charges to account 6299, "Other extraordinary income charges." Where there is a definite plan to retire an issue without refunding prior to its maturity date, amortization may be accelerated to extinguish the balance in the discount and premium account at the date of contemplated retirement.

(e) When any long-term debt is reacquired without being converted into another form of long-term debt and when the transaction is not in connection with a refunding operation, the difference between the amount paid upon reacquirement and the book amount plus the unamortized premium or less the unamortized discount, as the case may be, applicable to the debt reacquired, shall be charged to account 6299, "Other extraordinary income charges," or credited to account 6199, "Other extraordinary income credits," as appropriate.

(f) When the redemption of one issue or series of bonds or other long-term obligations is financed by another issue or series before the date of maturity of the prior issue, any unamortized discount, expense, or premium on the prior issue and any premium paid or discount enjoyed upon reacquirement shall be debited or credited, as appropriate, to account 6299, "Other extraordinary income charges," or account 6199, "Other extraordinary income credits:" *Provided, however,* That if the carrier desires to amortize any of the discount, expense, or premium associated with the issuance or redemption of the prior issue over a period subsequent to the date of redemption, the permission of the Commission must be obtained.

(g) Discount, expense, or premium on long-term debt shall not be included in the cost of constructing or acquiring plant, except as provided for in § 34.1-3(c)(8).

(h) The carrier's records shall be so maintained that in the reports to this Commission there may be shown the extent to which the income accounts have been charged or credited in instances in which there is a possibility of further entry in those accounts in the event of resale of reacquired long-term debt.

§ 34.10-15 Irrevocable trusts.

Funds relinquished from the control of the carrier that are irrevocably devoted to the establishment or continuation of any trust or fiduciary fund (such as pension or similar funds) shall not be included as items in the balance sheet, but their existence shall be indicated by an appropriate notation thereon showing the amount of such funds.

§ 34.10-16 Contingent assets and liabilities.

In the carrier's reports to this Commission amounts representing contingent assets and contingent liabilities shall not be included as items in the balance sheet, but their existence shall be indicated by an appropriate notation thereon and the amounts shall be shown in detail in a supplementary statement.

§ 34.10-17 Nominally issued securities.

(a) Each carrier shall maintain, in addition to the capital stock and long-term debt accounts prescribed herein, memorandum debit and credit accounts for securities which have been nominally but not actually issued.

(b) When no-par stock is nominally issued, the number of shares issued shall be shown in the memorandum accounts.

(c) A separate memorandum account, with appropriate title, shall be maintained for each class and issue or series of such securities.

§ 34.10-99 Contemplated form of balance sheet.

(See § 34.03-9.)

BALANCE SHEET

Account No. and Particulars		
ASSET SIDE Communication plant		
1000 Operated plant in carrier's service	$	
1100 Operated plant leased to others		
1200 Improvements and replacements of operated plant leaced from others		
1300 Plant under construction		
1400 Plant held for future communication use		
1510 Plant acquisition adjustments		$
Less:		
1515 Allowance for depreciation; radiotelegraph plant		$
1520 Allowance for amortization; radiotelegraph plant		
		$
1530 Telephone, wire-telegraph, and ocean-cable plant	$	
1535 Less: Allowance for depreciation and amortization; telephone, wire-telegraph, and ocean-cable plant		
1590 Foreign investment in communication plant		
Total		$
Investments and funds		
1620 Investments in affiliates	$	
1625 Nonregulated investments		
1629 Other investments		
1630 Debt-redemption funds		
1635 Employees' provident funds		
1640 Insurance funds		
1645 Miscellaneous funds held by trustees		
1659 Other miscellaneous funds		
	$	
1698 Amortized discount and premium on investment securities		
1699 Less: Allowance for doubtful investments		$
Total		$
Current assets		
1710 Cash		$
1715 Special cash deposits		
1720 Working cash advances		
1725 Temporary investments		
1730 Operating revenues receivable from users	$	
1742 Traffic settlements receivable from affiliates		
1749 Other receivables from affiliates		
1751 Notes receivable		
1752 Traffic settlements receivable		
1753 Matured interest receivable		
1754 Declared dividends receivable		
1755 Matured rents receivable		
1759 Other accounts receivable		
1765 Less: Allowance for uncollectible receivables		$
1770 Unmatured accrued receivables		
1775 Subscriptions to capital stock	$	
1780 Less: Deposits on subscriptions to capital stock		
1785 Subscriptions to bonds	$	
1790 Less: Deposits on subscriptions to bonds		

BALANCE SHEET—Continued

Account No. and Particulars		
1795 Material and supplies		$
1799 Other current assets		
Total	$	
Prepayments		
1810 Prepaid insurance		$
1815 Prepaid rents		
1820 Prepaid taxes		
1899 Other prepayments		
Total		$
Deferred charges		
1910 Extraordinary maintenance, depreciation, and retirements		$
1915 Capital stock expense		
1920 Long-term debt expense		
1925 Discount on capital stock		
1930 Unamortized discount on debt		
1935 Preliminary survey and investigation charges		
1940 Debit balances in clearing accounts		
1999 Other deferred charges		
Total		$
Total—Asset side		$

LIABILITY SIDE

Long-term debt		
2010 Bonds actually issued	$	
2015 Less: Bonds reacquired		$
2020 Bonds subscribed; unissued		
2025 Receivers' and trustees' securities		
2030 Advances from affiliates		
2099 Other long-term debt		
Total		$
Current liabilities		
2110 Matured long-term debt		$
2115 Customers' deposits		
2122 Traffic settlements payable to affiliates		
2129 Other payables to affiliates		
2131 Notes payable		
2132 Traffic settlements payable		
2133 Matured interest payable		
2134 Declared dividends		
2135 Matured rents payable		
2139 Other accounts payable		
2155 Advance billings		
2160 Installment-plan receipts on purchase of capital stock		
(Liability accounts)		
2165 Interest accruals		$
2170 Rent accruals		
2175 Tax accruals		
2180 Other accruals		
2199 Other current liabilities		
Total		$

BALANCE SHEET—Continued

Account No. and Particulars		
Provisions for future settlements		
2210 Provisions for employees' pensions and welfare		$
2215 Provisions for self-carried insurance		
2220 Provisions for equalization of maintenance expenses		
2225 Provisions for depreciation and replacement of operated plant leased from others		
2230 Leased operated plant retired		
2299 Other provisions for future settlements		
Total		$
Deferred credits		
2310 Unamortized premium on debt		$
2315 Advances for construction		
2320 Credit balances in clearing accounts		
2399 Other deferred credits		
Total		$
Capital stock		
2410 Capital stock issued		$
2415 Less: Capital stock reacquired		$
2420 Capital stock subscribed; unissued		
2425 Obligations for stock conversion		
Total		$
Capital surplus		
2510 Premiums and assessments on capital stock		$
2515 Contributions of plant		
2599 Other capital surplus		
Total		$
Earned surplus		
2610 Contractual reserves		$
2615 Reserve against impairment of stated capital		
2620 Miscellaneous reserves		
2699 Unappropriated earned surplus		
Total		$
Total—Liability side		$

[28 FR 13102, Dec. 5, 1963, as amended at 48 FR 45084, Sept. 30, 1983]

PRESCRIBED ACCOUNTS

NOTE: Number to the right of the decimal point is the account number.

Communication Plant

§ 34.1000 Operated plant in carrier's service.

This account shall include the total of the balances in the operated plant accounts applicable to plant owned and used by the carrier in its radiotelegraph operations, except such plant the cost of which is includible in account 1200, "Improvements and replacements of operated plant leased from others."

§ 34.1100 Operated plant leased to others.

This account shall include the total of the balances in the operated plant accounts applicable to plant owned by the carrier and leased to others as substantially complete operating systems or operating units where the lessee has exclusive possession.

Note: When the lessor is given or retains the exclusive privileges to maintain, inspect, and service equipment, to handle and adjust traffic accounts, to perform other similar services, or to designate who may perform such services for the lessee, the lessee will be deemed not to have the exclusive possession of the plant, and its cost shall be included in account 1000, "Operated plant in carrier's service."

§ 34.1200 Improvements and replacements of operated plant leased from others.

This account shall include the total of the balances in the operated plant accounts applicable to improvements and replacements of operated plant leased from others.

§ 34.1300 Plant under construction.

(a) This account shall include the cost of construction of plant not completed ready for service.

(b) When any plant the cost of which is included in this account is completed ready for service, the cost thereof shall be credited to this account and charged to the operated plant accounts, account 1400, "Plant held for future communication use," or other accounts, as appropriate.

§ 34.1400 Plant held for future communication use.

(a) This account shall include the cost of completed plant owned by the carrier and held for future use in communication service under a definite plan.

(b) The amounts included in this account shall be classified in accordance with the titles and texts of the appropriate plant accounts and the account shall be maintained in the same manner and detail as though the plant were in communication service.

§ 34.1510 Plant acquisition adjustments.

(a) This account shall include the difference between (1) the acquisition cost of plant acquired from predecessors as substantially complete operating systems or operating units and (2) the original cost of such plant less the required allowances for depreciation and amortization of the plant at the date of acquisition. (See also § 34.1-2.)

(b) This account shall include, under a separate subdivision, the difference between the original cost and the book cost of radiotelegraph plant at the effective date of this system of accounts, to the extent that such difference is not attributable to acquisitions from predecessors.

(c) This account shall be subdivided according to the character of the amounts included herein for each plant acquisition; and further subdivided to show the amounts applicable to operated plant in carrier's service, operated plant leased to others, and plant held for future communication use.

(d) If the actual original cost is not known, the entries in this account shall be based upon an estimate of such cost.

(e) The amounts recorded in this account shall be disposed of in such manner as this Commission may approve or direct.

Note: The provisions of this account shall not be construed as approving or authorizing the recording of appreciation of plant.

§ 34.1515 Allowance for depreciation; radiotelegraph plant.

(a) This account shall be credited with amounts charged to account 4910, "Depreciation," to account 5010, "Income from operated plant leased to others," to account 5299, "Other deductions from ordinary income," and to clearing accounts for currently accruing depreciation of radiotelegraph plant owned by the carrier; also with amounts charged to account 4925, "Extraordinary plant losses," as provided in paragraph (b) thereof, and with amounts of depreciation applicable to plant contributed to the carrier, and plant acquired from predecessors as provided in §§ 34.1-2 and 34.1-5. (See also §§ 34.04-1, 34.04-2, 34.04-3, 34.04-4, 34.04-5, and 34.30-3.)

(b) As at the effective date of this part, this account shall be credited with such amount as is necessary to create a credit balance herein equal to the estimated sustained depreciation of all depreciable operated plant owned by the carrier at that date. The amount thus credited shall, unless otherwise authorized by this Commission, be charged to account 6299, "Other extraordinary income charges."

(c) This account shall be regarded and treated as a single composite allowance account. For purposes of analysis, however, each carrier shall maintain records in which the balance in the account shall be segregated into component parts corresponding to the operated plant accounts and subdivisions thereof which include the cost of depreciable operated plant.

(d) This account shall be subdivided as follows:

1515:01 Allowance for depreciation of operated plant owned and used in carrier's service.
1515:02 Allowance for depreciation of improvements and replacements of operated plant leased from others.
1515:03 Allowance for depreciation of operated plant leased to others.
1515:04 Allowance for depreciation of plant held for future communication use.

NOTE: When plant is transferred from one class of communication service to another or from communication service to noncarrier operations, the accounting shall be as provided in § 34.1-7.

§ 34.1520 Allowance for amortization; radiotelegraph plant.

(a) This account shall be credited with amounts charged to account 4915, "Amortization; intangible operated plant," to account 5010, "Income from operated plant leased to others," and to account 5299, "Other deductions from ordinary income," to provide for the extinguishment of amounts included in accounts 82, "Franchises," 83, "Patent rights," 84, "Leaseholds," and 89, "Other intangibles," also amounts of amortization applicable to plant contributed to the carrier and plant acquired from predecessors as provided in §§ 34.03-6 and 34.1-2. (See also § 34.30-3.) It shall be credited with amounts charged to account 6299, "Other extraordinary income charges," to provide for the extinguishment of amounts included in § 34.81.

(b) This account shall be credited or charged, as appropriate, with amounts authorized or directed by the Commission to be charged or credited to accounts 4920, "Amortization of plant acquisition adjustments," and 5255, "Amortization of plant acquisition adjustments," to provide for the extinguishment of amounts included in account 1510, "Plant acquisition adjustments."

(c) As at the effective date of this part, this account shall be credited with such amount as is necessary to create a credit balance herein equal to the expired service value of intangibles (having a terminable life) the cost of which is includible in accounts 82, "Franchises," 83, "Patent rights," 84, "Leaseholds," and 89, "Other intangibles." The amount thus credited shall, unless otherwise authorized by this Commission, be charged to account 6299, "Other extraordinary income charges."

(d) When any franchise, patent right, leasehold, or other intangible item expires or is sold, relinquished, or otherwise retired from service, the cost thereof shall be credited to the appropriate plant account and this account shall be charged with the amount previously credited hereto with respect to such intangible item. The difference between the foregoing amounts, less the proceeds realized at retirement, shall be charged to account 6299, "Other extraordinary income charges," or credited to account 6199, "Other extraordinary income credits," as appropriate.

(e) The records supporting the entries in this account shall be so maintained as to show the amount applicable to each intangible item under the following subdivisions:

1520:01 Allowance for amortization of intangibles in carrier's service.
1520:02 Allowance for amortization of intangibles leased to others.
1520:03 Allowance for amortization of plant acquisition adjustments.
1520:04 Allowance for amortization of intangibles held for future communication use.

§ 34.1530 Telephone, wire-telegraph, and ocean-cable plant.

This account shall include the amount of the balances in the plant accounts for telephone, wire-telegraph, and ocean-cable plant in service. (See also § 34.03-8.)

§ 34.1535 Allowance for depreciation and amortization; telephone, wire-telegraph, and ocean-cable plant.

This account shall include the amount of the balances in the allowance accounts for telephone, wire-telegraph, and ocean-cable plant in service. (See also § 34.03-8.)

§ 34.1599 Foreign investment in communication plant.

(a) This account may include the net amount of the acquisition cost of the carrier's communication plant that is located in foreign countries and the related allowances for depreciation and amortization, when the detailed amounts are required to be stated in terms of foreign currency or in a manner at variance with the requirements of this system of accounts.

(b) A separate subaccount with appropriate title shall be maintained for the plant located in each foreign country.

(c) The records supporting the entries in this account shall be so maintained that, in the reports to this Commission, a complete analysis of the transactions affecting each station may be shown.

(d) Each carrier that elects to use this account shall advise this Commission of the fact at least 60 days before the effective date of this system of accounts. Changes from this elective procedure to alternative procedure prescribed for domestic plant, or vice versa, shall not be made thereafter without submitting to this Commission for its consideration and approval notice of the change at least 90 days before the proposed effective date of such change.

Investments and Funds

§ 34.1620 Investments in affiliates.

(a) This account shall include the book cost of the carrier's investment in securities issued or assumed by affiliates, other than securities of affiliates held in special funds or as temporary investments. It shall include the amount of investment advances to affiliates.

(b) The records supporting the entries in this account shall be so maintained as to show each class of investment in each affiliate under the following subdivisions:

1620:01 Investments in securities of affiliates.
1620:02 Investment advances to affiliates.

NOTE A: The book cost of securities of affiliates owned by the carrier and held in special funds or as temporary investments shall be included in accounts 1630, 1635, 1640, 1645, 1659, or 1725, as appropriate.

NOTE B: Advances to affiliates that are subject to current settlement shall be included in account 1749, "Other receivables from affiliates."

§ 34.1625 Nonregulated investments.

(a) This account shall include the net investment in nonregulated activities when they are not conducted through a separate corporate entity. It shall include all assets and liabilities used exclusively in nonregulated activities including investment in physical property, either in service, under construction or in stock, together with related allowance for depreciation. It shall include the amount of all assessments for the construction of public improvements levied against nonregulated physical property. This account shall include receivables and payables with nonregulated activities that are settled on a current basis. It shall include, as a receivable, costs including taxes incurred on behalf of nonregulated operations, and, as a payable, costs incurred by nonregulated operations on behalf of regulated business. This account shall also reflect net income or loss on nonregulated activity. (See § 34.03-17.)

(b) This account shall be subdivided as follows:

1625:01 Permanent investment.
1625:02 Receivables and payables settled on a current basis.
1625:03 Current net income or loss.

[48 FR 45085, Sept. 30, 1983]

§ 34.1629 Other investments.

(a) This account shall include the book cost of the carrier's investment in securities issued or assumed by nonaffiliates, other than such securities held in special funds or as temporary investments. It shall include the amount of investment advances to nonaffiliates and other investments not provided for elsewhere.

(b) The records supporting the entries in this account shall be so maintained as to show each class of investment in each nonaffiliate under the following subdivisions:

1629:01 Investments in securities of nonaffiliates.
1629:02 Investment advances to nonaffiliates.
1629:90 Other.

NOTE A: The book cost of securities of nonaffiliates owned by the carrier and held in special funds or as temporary investments shall be included in accounts 1630, 1635, 1640, 1645, 1659, or 1725, as appropriate.

NOTE B: Advances to nonaffiliates that are subject to current settlement shall be included in account 1751, "Notes receivable," or account 1759, "Other accounts receivable," as appropriate.

§ 34.1630 Debt-redemption funds.

(a) This account shall include the book cost of assets that have been segregated in special funds for the purpose of redeeming outstanding long-term debt of the carrier.

(b) A separate subaccount, with appropriate title, shall be maintained for each issue or series of long-term debt for the redemption of which a special fund is maintained.

NOTE: Nothing contained herein shall be construed as preventing the carrier from transferring applicable debt-redemption funds to account 1715, "Special cash deposits," for the purposes of paying matured long-term debt, or obligations called for redemption but not presented, or the interest thereon.

§ 34.1635 Employees' provident funds.

This account shall include the amount of cash, the book cost of securities of others, and the book amount of nominally issued and nominally outstanding securities issued or assumed by the carrier and other assets held by trustees or managers of employees' pension funds, saving funds, relief, hospital, and other association funds (whether contributed by the carrier, by employees, or by others), when such trustees or managers are acting for the carrier in the administration of such funds. (See also §§ 34.10-15 and 34.30-2.)

§ 34.1640 Insurance funds.

(a) This account shall include the book cost of assets that have been segregated in special funds for the purpose of liquidating losses from accident, fire, flood, or other casualties.

(b) A separate subaccount, with appropriate title, shall be maintained for each class of funds.

§ 34.1645 Miscellaneous funds held by trustees.

This account shall include the amount of cash and the cost of other assets deposited with trustees to be held until mortgaged property sold, destroyed, or otherwise disposed of is replaced; also cash realized from the sale of the carrier's securities and deposited with trustees to be held until invested in property for the carrier. When the purposes of such deposits are satisfied and the deposits are released, this account shall be credited with the amount released.

§ 34.1659 Other miscellaneous funds.

(a) This account shall include the book cost of assets that have been segregated in special funds for specific purposes not provided for elsewhere.

(b) A separate subaccount, with appropriate title, shall be maintained for each class of funds.

§ 34.1698 Amortized discount and premium on investment securities.

(a) This account shall include the amount of amortized discount and premium charged or credited as interest from securities held as long-term investments, as provided in paragraph (e) of § 34.10-7.

(b) A separate subaccount with appropriate title shall be maintained for each class and issue or series of securities with respect to which amounts are entered herein, with an appropriate reference to the account in which the cost of the securities is recorded.

§ 34.1699 Allowance for doubtful investments.

(a) This account shall be credited with amounts charged to account 6299, "Other extraordinary income charges," to provide for the doubtful value of investments.

(b) When securities are sold or otherwise disposed of, or their book cost is reduced to a nominal value, this account shall be charged with any amounts covered by credits hereto with respect to such securities.

Current Assets

§ 34.1710 Cash.

This account shall include the amount of current funds available for use on demand, in the hands of financial officers and agents, or deposited in banks or with trust companies, and funds in transit for which managers and agents have received credit.

§ 34.1715 Special cash deposits.

(a) This account shall include the amount of cash in special deposits, other than in debt-redemption and other funds, for the payment of interest, dividends, and other debts when such payments are due 1 year or less from the date of deposit: also the amount of cash deposited to insure the performance of contracts to be performed within 1 year from the date of deposit, and other cash deposits for specific purposes not provided for elsewhere. When the purposes of such deposits are satisfied and the deposits are released, this account shall be credited with the amount released.

(b) This account shall be subdivided as follows:

1715:01	Special deposits; interest.
1715:02	Special deposits; dividends.
1715:99	Special deposits; other.

§ 34.1720 Working cash advances.

This account shall include the amount of cash advanced to officers, agents, employees, and others as petty cash or working funds.

§ 34.1725 Temporary investments.

(a) This account shall include the book cost of securities acquired for the purpose of temporarily investing cash, such as demand and time loans, bankers' acceptances, United States Treasury certificates, and other similar investments.

(b) This account shall be subdivided as follows:

1725:01	Temporary investments; affiliates.
1725:99	Temporary investments; other.

§ 34.1730 Operating revenues receivable from users.

(a) This account shall include amounts receivable from customers for services rendered or billed and from agents and collectors authorized to make collections from customers.

(b) This account shall be subdivided as follows:

1730:03	Agents and collectors.
1730:99	Others.

(c) The records supporting the entries in this account shall be so maintained as to show separately (1) amounts due for services rendered and (2) amounts due for services to be rendered. (See § 34.2155.)

NOTE A: Amounts representing revenues accrued but not due shall be included in account 1770, "Unmatured accrued receivables."

NOTE B: Amounts receivable from other carriers for participation in transmission shall be included in the accounts maintained in accordance with the provisions of paragraph (a) of § 34.31-3.

NOTE C: Amounts due on notes accepted in settlement of customers' accounts shall be included in account 1751, "Notes receivable."

§ 34.1742 Traffic settlements receivable from affiliates.

This account shall include the net amount receivable from affiliated carriers against each of which there is a net debit balance in the accounts maintained for traffic settlements. (See particularly paragraph (a) of § 34.31-3.)

§ 34.1749 Other receivables from affiliates.

(a) This account shall include amounts receivable from affiliates not provided for elsewhere. (See particularly §§ 34.1730, 34.1742, 34.1770, 34.1775, and 34.1785.)

(b) This account shall be subdivided as follows:

1749:01 Matured interest receivable.
1749:02 Declared dividends receivable.
1749:03 Matured rents receivable.
1749:04 Current notes receivable. (See also account 1620.)
1749:99 Other accounts receivable.

(c) In stating the balance sheet there may be included in this account the net amount receivable from affiliates against each of which there is a net debit balance between items applicable to a particular subdivision of this account and the comparable subdivision of account 2129, "Other payables to affiliates."

§ 34.1751 Notes receivable.

(a) This account shall include amounts receivable from persons other than affiliates on notes, drafts, acceptances, and other evidences of indebtedness, payable on demand or not more than 1 year from the date of issuance. (See also § 34.1629.)

(b) The book amount of items includible herein that are discounted or sold without releasing the carrier from liability thereon, shall be credited to this account and reported as a contingent liability. (See particularly § 34.10-16.)

§ 34.1752 Traffic settlements receivable.

This account shall include the net amount receivable from persons other than affiliates against each of which there is a net debit balance in the accounts maintained for traffic settlements. (See particularly paragraph (a) of § 34.31-3.)

§ 34.1753 Matured interest receivable.

This account shall be charged with amounts credited to account 5125, "Interest income," or account 5135, "Income from debt-redemption and other funds," representing matured interest receivable from persons other than affiliates that is subject to current settlement.

NOTE A: Earned interest receivable that is accrued but unmatured shall be included in account 1770, "Unmatured accrued receivables."

NOTE B: Matured interest receivable that is not subject to current settlement shall be included in the account in which the principal amount is carried.

§ 34.1754 Declared dividends receivable.

This account shall be charged with amounts credited to account 5120, "Dividend income," or to account 5135, "Income from debt-redemption and other funds," representing dividends declared on stocks of persons other than affiliates that become mature not later than the first day following the date of the balance sheet.

NOTE: Declared dividends receivable that do not mature until after the first day following the date of the balance sheet shall be included in account 1770, "Unmatured accrued receivables."

§ 34.1755 Matured rents receivable.

This account shall be charged with amounts credited to the income accounts representing rentals receivable from persons other than affiliates that are matured and subject to current settlement.

NOTE A: Rentals receivable that are accrued but unmatured shall be included in account 1770, "Unmatured accrued receivables."

NOTE B: Amounts receivable for minor rentals shall be included in account 1730, "Operating revenues receivable from users."

§ 34.1759 Other accounts receivable.

(a) This account shall include the net amount receivable from persons other than affiliates against each of whom there is a net debit balance in accounts maintained for transactions other than those includible in accounts 1730 and 1751 to 1755, inclusive. (See also accounts 1749, "Other receivables from affiliates," 1770, "Unmatured accrued receivables," 1775, "Subscriptions to capital stock," and 1785, "Subscriptions to bonds.")

(b) This account shall be subdivided as follows:

1759:02 Receivable from officers and employees.
1759:99 Receivable from others.

§ 34.1765 Allowance for uncollectible receivables.

(a) This account shall be credited with amounts charged to account 4935, "Uncollectible revenues," account 5299, "Other deductions from ordinary income," and account 6299, "Other extraordinary income charges," to provide for uncollectible receivables, under a plan consistently followed and adjusted for errors in estimates.

(b) This account shall be charged with any amounts covered herein that are determined to be impracticable of collection and shall be credited with amounts collected that previously were charged herein.

(c) The records supporting the entries in this account shall be so maintained as to show the amount applicable to each class of receivables for which allowances are established; also the account that was charged with each credit in this account.

§ 34.1770 Unmatured accrued receivables.

(a) This account shall include the amount of revenue estimated to have accrued for services not billed but billable or not due under contract and the amount of interest, dividends, rent, and other items accrued to the date for which the balance sheet is made, but not receivable until after the first day following that date.

(b) This account shall be subdivided as follows:

1770:01 Accrued communication revenue.
1770:02 Accrued interest.
1770:03 Declared dividends.
1770:04 Accrued rents.
1770:99 Other accrued receivables.

§ 34.1775 Subscriptions to capital stock.

(a) The amount of each subscription to capital stock of the carrier shall be charged to this account at the time the subscription is accepted. The book amount of the stock subscribed shall be credited to account 2420, "Capital stock subscribed; unissued." The difference between the foregoing amounts shall be charged or credited, as appropriate, to the discount and premium account maintained under the provisions of paragraph (a) of § 34.10-13. (See also § 34.1780.)

(b) This account shall be subdivided as follows:

1775:01 Amounts subscribed by affiliates.
1775:02 Amounts subscribed by officers and employees.
1775:04 Amounts subscribed by underwriters.
1775:99 Amounts subscribed by others.

§ 34.1780 Deposits on subscriptions to capital stock.

(a) This account shall be credited with amounts received as payments on subscriptions to capital stock.

(b) When payment for the total amount of a subscription has been received, this account shall be charged and account 1775, "Subscriptions to capital stock," shall be credited with such total amount.

(c) Any amounts in this account which become the property of the carrier by forfeiture shall be charged hereto and credited to account 2599, "Other capital surplus."

(d) This account shall be subdivided as follows:

1780:01 Deposits received from affiliates.
1780:02 Deposits received from officers and employees.
1780:04 Deposits received from underwriters.
1780:99 Deposits received from others.

§ 34.1785 Subscriptions to bonds.

(a) The amount of each subscription to bonds of the carrier shall be charged to this account at the time the subscription is accepted. The face amount of the bonds subscribed shall be credited to account 2020, "Bonds subscribed; unissued." The difference between the foregoing amounts shall be charged or credited, as appropriate, to the discount and premium account maintained under the provisions of paragraph (a) of § 34.10-14. (See also § 34.1790.)

(b) This account shall be subdivided as follows:

1785:01 Amounts subscribed by affiliates.
1785:02 Amounts subscribed by officers and employees.
1785:04 Amounts subscribed by underwriters.
1785:99 Amounts subscribed by others.

§ 34.1790 Deposits on subscriptions to bonds.

(a) This account shall be credited with amounts received as payments on subscriptions to bonds of the carrier.

(b) When payment for the total amount of a subscription has been received, this account shall be charged and account 1785, "Subscriptions to bonds," shall be credited with such total amount.

(c) Any amounts in this account which become the property of the carrier by forfeiture shall be charged hereto and credited to account 6199, "Other extraordinary income credits."

(d) This account shall be subdivided as follows:

1790:01 Deposits received from affiliates.
1790:02 Deposits received from officers and employees.
1790:04 Deposits received from underwriters.
1790:99 Deposits received from others.

§ 34.1795 Material and supplies.

(a) This account shall include the cost (consideration being given to the adjustments outlined in paragraphs (b), (c), (d), and (e) of this section) of unapplied material and supplies held for use in the carrier's regulated operations or in common with its nonregulated operations (including plant supplies, unissued small tools, fuel, stationery, and other supplies) and of material and articles of the carrier in process of manufacture for supply stock.

(b) Cost shall include the purchase price at the point of free delivery, plus customs duties, excise taxes, and other taxes on purchases, insurance, cost of inspection, special tests prior to acceptance, loading and unloading, transportation, and other directly assignable charges. (Transportation and other charges impracticable of inclusion in the cost of the particular material to which they relate shall be charged to account 9030, "Supply expense; undistributed.")

(c) Cash and other discounts on material shall be deducted from the cost of the particular material to which they relate or credited to the account to which the material is charged. (When impracticable of such treatment, they shall be credited to account 9030, "Supply expense; undistributed.")

(d) Material recovered in connection with construction, maintenance, or retirement of plant shall be included in this account as follows:

(1) Reusable material shall be included in the appropriate subdivision of this account at weighted average prices based upon the estimated reasonable second-hand value thereof.

(2) The cost of repairing reusable material shall be charged to this account. (When impracticable of such treatment, the cost of such repairing shall be charged to account 9030, "Supply expense; undistributed.")

(3) Scrap and nonusable material shall be included in this account at the estimated net amount realizable therefrom. The differences between the amounts realized for scrap and nonusable material sold and the amount at which the material was included in this account shall be adjusted to the accounts credited when the material was charged to this account. (When impracticable of such treatment, the differences shall be adjusted to account 9030, "Supply expense; undistributed.")

(e) Inventories of material and supplies shall be taken during each calendar year and the necessary adjustments shall be made to bring the balance in this account into agreement with the actual inventories. In effecting the adjustment, differences that can be assigned to important classes of material shall be equitably adjusted among the accounts to which such classes of material were charged since the previous inventory. Other differences shall be equitably apportioned among the accounts to which material has been charged since the last inventory or included in account 9030, "Supply expense; undistributed."

(f) This account shall be subdivided as follows:

1795:01 Material held for use in the carrier's regulated operations or in common with its nonregulated operations.
1795:02 Material in process of conversion.
1795:03 Undistributed supply expense.

NOTE A: This account shall not include amounts representing cost of material or articles the title to which is not vested in the carrier.

NOTE B: Interest on material bills the payment of which has been delayed shall be charged to account 5235, "Other interest charges."

[28 FR 13102, Dec. 5, 1963, as amended at 48 FR 45085, Sept. 30, 1983]

§ 34.1799 Other current assets.

(a) This account shall include the amount of current assets not provided for elsewhere.

(b) The record supporting the entries in this account shall be so maintained as to show the nature of each class of assets included herein.

Prepayments.

§ 34.1810 Prepaid insurance.

This account shall be charged with the amounts of insurance premiums paid in advance. As the term expires for which the insurance premiums were paid, this account shall be credited at monthly intervals and the appropriate accounts charged.

§ 34.1815 Prepaid rents.

This account shall be charged with the amounts of rents paid in advance. As the term expires for which the rents were paid, this account shall be credited at monthly intervals and the appropriate accounts charged.

§ 34.1820 Prepaid taxes.

This account shall be charged with the amounts of taxes paid in advance. As the terms expires for which the taxes were paid, this account shall be credited at monthly intervals and the appropriate accounts charged.

§ 34.1899 Other prepayments.

This account shall be charged with the amounts of prepayments not provided for elsewhere. As the term expires for which the payments were made, this account shall be credited at monthly intervals and the appropriate accounts charged.

Deferred Charges

§ 34.1910 Extraordinary maintenance, depreciation, and retirements.

This account shall include, when so authorized by this Commission, the unprovided-for loss in service value of plant retired for causes not factors in depreciation. (See also § 34.04-4.) It shall include such other amounts as may be authorized or directed by this Commission.

§ 34.1915 Capital stock expense.

(a) This account shall include the amount of stock expenses that have not been charged to account 6290, "Other extraordinary income charges." (See particularly § 34.10-13.)

(b) A separate subaccount, with appropriate title, shall be maintained for stock expenses applicable to each class of capital stock.

NOTE: Expenses incurred in connection with the reacquisition and resale of capital stock shall be accounted for as provided in § 34.10-13 and account 2415, "Capital stock reacquired."

§ 34.1920 Long-term debt expense.

(a) This account shall include the amount of debt expenses that have not been charged to account 6290, "Other extraordinary income charges." (See particularly § 34.10-14.)

(b) A separate subaccount, with appropriate title, shall be maintained for debt expenses applicable to each issue or series of long-term debt.

NOTE: Expenses incurred in connection with the reacquisition and resale of long-term debt shall be accounted for as provided in § 34.10-14 and the text of account 2015, "Bonds reacquired."

§ 34.1925 Discount on capital stock.

This account shall include the total of the debit balances in the capital stock discount and premium accounts. (See particularly § 34.10-13.)

§ 34.1930 Unamortized discount on debt.

This account shall include the total of the debit balances in the long-term debt discount and premium accounts. (See particularly § 34.10-14.)

§ 34.1935 Preliminary survey and investigation charges.

(a) This account shall be charged with all expenditures for preliminary surveys, plans, investigations, etc., made for the purpose of determining the feasibility of major projects under contemplation. If construction results, this account shall be credited and the appropriate plant account charged. If the work is abandoned, the charge shall be to account 6299, "Other extraordinary income charges," unless otherwise authorized or directed by the Commission.

(b) The records supporting the entries in this account shall be so maintained that the carrier can furnish complete information as to the nature and purpose of the survey, plans or investigations, and the nature and respective amounts of the charges.

NOTE: The amount of preliminary survey and investigation charges transferred to the plant accounts shall not exceed the expenditures which may reasonably be determined to contribute directly and immediately and without duplication to the plant. (See also § 34.03-7.)

§ 34.1940 Debit balances in clearing accounts.

This account shall include the total of the debit balances in all clearing accounts except account 9030, "Supply expense; undistributed." (See also § 34.90-2.)

§ 34.1999 Other deferred charges.

(a) This account shall include the amount of deferred charges not provided for elsewhere. (See also § 34.03-15.)

(b) The records supporting the entries in this account shall be so maintained that the carrier can furnish complete information as to each item included herein.

Long-Term Debt

§ 34.2010 Bonds actually issued.

(a) This account shall include the face amount of actually issued and unmatured bonds that have not been retired or canceled; also the face amount of such bonds issued by others the payment of which has been assumed by the carrier. (See particularly §§ 34.10-7, 34.10-8, and 34.10-17.)

(b) A separate ledger account, with appropriate title, shall be maintained for each issue or series of long-term debt.

NOTE A: Discount, expense, and premium on bonds shall be accounted for as provided in § 34.10-14.

NOTE B: Matured bonds shall be included in account 2110, "Matured long-term debt."

§ 34.2015 Bonds reacquired.

(a) This account shall include the face amount of bonds actually issued or assumed by the carrier and reacquired by it and held under conditions that do not permit the carrier to treat such bonds as retired or canceled but do permit their resale. It shall not include securities that are held by trustees of debt-redemption and other funds.

(b) When any issue of bonds, or portion thereof, is reacquired, the acquisition cost of the bonds and the amount of unamortized discount, expense, or premium applicable thereto shall be accounted for as provided in § 34.10-14.

(c) When reacquired bonds are sold, the book amount of the bonds shall be credited to this account and the difference between such amount and the amount received from the sale less commissions and expenses incurred in the sale shall be charged to account 6299, "Other extraordinary income charges," or credited to account 6199, "Other extraordinary income credits," as appropriate.

(d) A separate subaccount, with appropriate title, shall be maintained for each issue or series of bonds reacquired.

§ 34.2020 Bonds subscribed; unissued.

(a) This account shall include the face amount of bonds for which legally enforceable subscriptions have been received but for which evidences of indebtedness have not been issued.

(b) When the amount of each subscription is received and evidences of indebtedness are issued, this account shall be charged and account 2010, "Bonds actually issued," shall be credited with the face amount of such bonds.

(c) Interest that has accrued on the evidences of indebtedness issued to subscribers shall be accounted for through the appropriate interest account.

(d) A separate subaccount, with appropriate title, shall be maintained for subscriptions to each issue or series of bonds.

§ 34.2025 Receivers' and trustees' securities.

(a) This account shall include the book amount of evidences of indebtedness issued by receivers or trustees in possession of the property of the carrier and acting under the orders of a court.

(b) A separate subaccount, with appropriate title, shall be maintained for each class and issue or series of securities includible herein.

§ 34.2030 Advances from affiliates.

(a) This account shall include amounts owed to affiliates on notes maturing more than 1 year from date of issuance or origin and the amount of open accounts representing investment advances from affiliates.

(b) This account shall be subdivided as follows:

2030:01 Notes payable to affiliates.
2030:02 Investment advances from affiliates.

NOTE: Notes and open accounts representing indebtedness to affiliates that are subject to current settlement shall be included in account 2129, "Other payables to affiliates."

§ 34.2099 Other long-term debt.

(a) This account shall include the amount of all long-term debt not provided for elsewhere.

(b) The records supporting the entries in this account shall be so maintained that the carrier can furnish complete information as to each item included herein.

Current Liabilities

§ 34.2110 Matured long-term debt.

This account shall include the amount of long-term debt and receivers' and trustees' securities, including any obligations for premiums, matured and unpaid without specific agreement for extension of maturity. It shall include bonds drawn or called for redemption but not presented.

§ 34.2115 Customers' deposits.

This account shall include amounts deposited with the carrier by customers as security for the payment of bills. (See also § 34.2315.)

§ 34.2122 Traffic settlements payable to affiliates.

This account shall include the net amount payable to affiliated carriers in favor of each of which there is a net credit balance in the accounts maintained for traffic settlements. (See particularly paragraph (a) of § 34.31-3.)

§ 34.2129 Other payables to affiliates.

(a) This account shall include amounts payable to affiliates not provided for elsewhere. (See §§ 34.2110, 34.2122 and 34.2165-34.2180, inclusive.)

(b) This account shall be subdivided as follows:

2129:01 Matured interest payable.
2129:03 Matured rents payable.
2129:04 Current notes payable. (See also § 34.2099.)
2129:99 Other accounts payable.

(c) In stating the balance sheet there may be included in this account the net amount payable to affiliates in favor of each of which there is a net credit balance between items applicable to a particular subdivision of this account and the comparable subdivision of account 1749, "Other receivables from affiliates."

§ 34.2131 Notes payable.

(a) This account shall include amounts payable to persons other than affiliates on notes, drafts, acceptances, and other evidences of indebtedness payable on demand or not more than 1 year from the date of issuance. (See also § 34.1751(b) and § 34.2099.)

(b) This account shall be subdivided as follows:

2131:02 Payable to officers and employees.
2131:99 Payable to others.

§ 34.2132 Traffic settlements payable.

This account shall include the net amount payable to persons other than affiliates in favor of each of which there is a net credit balance in the accounts maintained for traffic settlements. (See particularly paragraph (a) of § 34.31-3.)

§ 34.2133 Matured interest payable.

(a) This account shall include the amount of interest matured and payable to persons other than affiliates on long-term debt or other obligations of the carrier. (See also § 34.2165.)

(b) The records supporting the entries in this account shall be so maintained as to show separately the rate and amount of interest included herein by reference to the obligation to which the interest relates.

NOTE: Matured interest payable that is not subject to current settlement shall be included in the account in which the principal amount is recorded.

§ 34.2134 Declared dividends.

(a) This account shall include the amount of dividends that have been declared but not paid.

(b) The records supporting the entries in this account shall be so maintained as to show the amount of dividends declared on each class of capital stock.

§ 34.2135 Matured rents payable.

This account shall be credited with amounts charged to the income accounts and amounts of clearances from account 2170, "Rent accruals," representing matured rents payable to persons other than affiliates.

§ 34.2139 Other accounts payable.

This account shall include the amount of unpaid vouchers, pay rolls, and other items including the net amount payable to persons other than affiliates in favor of each of whom there is a net credit balance in the accounts maintained for transactions with such persons other than the transactions includible in accounts 2132 to 2135, inclusive.

§ 34.2155 Advance billings.

(a) This account shall include the amount of bills rendered for communication service to be furnished in future accounting periods. (See also § 34.2315.)

(b) This account shall be charged and the appropriate operating revenue or asset account shall be credited as the services are rendered or as adjustments are approved.

§ 34.2160 Installment-plan receipts on purchase of capital stock.

(a) This account shall include the amount of receipts from employees and others, other than on subscriptions, as partial payment on capital stock of the carrier.

(b) When amounts so received equal the agreed purchase price for capital stock, this account shall be charged and account 2410, "Capital stock issued," or account 2415, "Capital stock reacquired," as appropriate, shall be credited with the book amount of such stock. Any discount or premium on original issues shall be included in the appropriate discount and premium account.

(c) When amounts included herein are forfeited by purchasers, this account shall be charged and account 2599, "Other capital surplus," shall be credited with the amounts so forfeited.

(d) When, for any reason, receipts under this plan are refunded to purchasers, this account shall be charged with the amount of such refunds, to the extent that the refunds represent amounts of principal installment receipts.

(e) Any amounts credited to purchasers as interest on installment receipts shall be charged to account 5235, "Other interest charges." Any amount by which refunds on uncompleted purchases fail to equal the amounts received from purchasers shall be charged to this account and credited to account 2599, "Other capital surplus."

(f) This account shall be subdivided as follows:

2160:02 Receipts from officers and employees.
2160:99 Receipts from others.

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Liability Accruals

§ 34.2165 Interest accruals.

(a) This account shall be credited monthly with amounts charged to accounts 5210, "Interest on long-term debt," 5215, "Interest on indebtedness to affiliates," and 5235, "Other interest charges," representing proportionate amounts, applicable to the period, of interest liabilities that have not matured.

(b) When any item of interest included herein has matured, the amount thereof shall be cleared by a charge to this account and a credit to account 2133, "Matured interest payable," or other appropriate account.

§ 34.2170 Rent accruals.

(a) This account shall be credited monthly with amounts charged to accounts 4940, "Rent for lease of operated plant," 4243, "Rent for operating offices," 4245, "Rent for other facilities," 4450, "Rent for offices," and 4455, "Other rents," representing proportionate amounts applicable to the period, of rent liabilities that have not matured.

(b) When the obligation with respect to which any item included herein has matured the amount of such item shall be cleared by charges to this account and credits to account 2135, "Matured rents payable," or other appropriate account.

§ 34.2175 Tax accruals.

(a) This account shall be credited monthly with the amount of taxes considered applicable to the period, and corresponding charges shall be made to the appropriate accounts. Such credits may be based upon estimates, but from time to time, as the facts become known, the amounts of the periodic credits shall be adjusted so as to include, as nearly as can be determined in each year, the taxes applicable to that year. Any amounts representing a prepayment of taxes applicable to a subsequent period shall be included in account 1820, "Prepaid taxes."

(b) The records supporting the entries in this account shall be so maintained that the carrier can furnish information as to the amounts by classes of taxes and taxing authorities, the basis for each tax determination, and the accounts to which charged.

§ 34.2180 Other accruals.

(a) This account shall be credited with the amounts of accruals not provided for elsewhere.

(b) When the obligation with respect to which any item included herein has matured the amount of such item shall be cleared by charges to this account and credits to the appropriate account according to the nature of the matured item.

§ 34.2199 Other current liabilities.

(a) This account shall include the amount of current liabilities not provided for elsewhere.

(b) The records supporting the entries in this account shall be so maintained as to show full details concerning each item included herein.

Provisions for Future Settlements

Note: See particularly § 34.10-11.

§ 34.2210 Provisions for employees' pensions and welfare.

(a) This account shall include specific appropriations of income and the amounts contributed by employees or others (whether carried in special trust funds or in the general funds of the carrier) for pensions, accident and death benefits, savings, relief, hospital, and other provident purposes, when administered by trustees or managers acting for the carrier.

(b) This account shall include also the amount accrued for pensions through charges to account 4435, "Relief and pensions." Amounts so credited shall, when actually paid to retired employees or paid into a trust fund irrevocably devoted to the payment of pensions, be charged hereto.

§ 34.2215 Provisions for self-carried insurance.

(a) This account shall include provisions to cover self-carried risks for losses through accident, fire, flood, or other causes, other than provisions made in the allowance for depreciation.

(b) Amounts included in this account shall be computed upon a basis of rates which fairly cover the risks incurred. These rates shall be determined according to the carrier's experience and best estimate as to the hazard covered. A schedule of risks covered by this account shall be maintained giving a description of the property or the character of the risks covered.

(c) If the carrier reinsures with insurance companies risks initially covered in this account, the premiums for such reinsurance shall be charged hereto.

(d) To the extent that losses and damages sustained are covered by this account, an amount equal thereto shall be charged to this account and credited to the accounts appropriate for the losses and damages sustained.

NOTE: All losses and damages sustained, including those covered by commercial insurance or by this account, shall be charged in the first instance to the allowance for depreciation, construction, repair, accidents and damages, or other appropriate account according to the character of the loss. Insurance recovered or amounts chargeable to this account on account of losses and damages sustained shall be credited to the account in which the losses and damages stand charged.

§ 34.2220 Provisions for equalization of maintenance expenses.

(a) This account shall be credited with such amounts as this Commission may authorize or direct to be charged to account 4198, "Maintenance-expense equalization," under a plan to equalize maintenance expenses.

(b) When maintenance work is performed for which provision has been made in this account, the cost of such work shall be charged to the appropriate maintenance accounts. Concurrently this account shall be charged and account 4198, "Maintenance-expense equalization," shall be credited with an amount equal to the provision for the cost of such maintenance work.

(c) The carrier's application to this Commission for permission to institute an equalization program shall show full details as to the plan of administration of the program, the character of the work to which amounts accrued may subsequently be applied, and the amount of the monthly or annual accruals for equalization purposes.

(d) A separate subaccount, with appropriate title, shall be maintained for each project or program for which provision is made in this account.

§ 34.2225 Provisions for depreciation and replacement of operated plant leased from others.

(a) This account shall be credited with amounts charged to account 4910, "Depreciation," for currently accruing depreciation of operated plant leased from others when the carrier, as lessee, is required to replace or to restore the condition of such plant and when such amounts are not subject to current reimbursement to the lessor.

(b) This account shall be charged with the cost of leased plant retired and the cost of removal when, under the terms of the lease, the carrier, as lessee, is required to replace or to restore the condition of plant leased from others. It shall be credited with the salvage value and any other amounts recovered from such retired plant. (See also § 34.1-5.)

(c) As at the effective date of this part, this account shall be credited with such amount as is necessary to record herein the service value of operated plant leased from others that has expired during the periods of effective leasing agreement under which the carrier, as lessee, is required to replace or to restore the condition of such plant, and when such amounts are not subject to current settlement with the lessor. This includes amounts with respect to depreciable operated plant that has been retired during the periods of such agreements and the expired service value of such plant still in the service of the carrier. The amount thus credited shall, unless otherwise authorized by this Commission, be charged to account 6299, "Other extraordinary income charges."

(d) The amount in this account with respect to each leasing agreement shall be cleared at the expiration of the lease as provided in § 34.1-6.

(e) The records supporting the entries in this account shall be so maintained as to show the amount included herein with respect to each leasing agreement.

§ 34.2230 Lease operated plant retired.

(a) This account shall be credited with the cost of leased operated plant retired when the carrier, as lessee, is required to replace or to restore the condition of plant leased from others. (See also § 34.1-5.)

(b) As at the effective date of this part, this account shall be credited, and account 2225, "Provisions for depreciation and replacement of operated plant leased from others," shall be charged with the original cost of operated plant leased from others that has been retired since the date of each effective leasing agreement under which the carrier, as lessee, is required to replace or to restore the condition of such plant, and when the cost of such replacement or restoration is not subject to current settlement with the lessor.

(c) The amount in this account with respect to each leasing agreement shall be cleared at the expiration of the lease as provided in § 34.1-6.

(d) The records supporting the entries in this account shall be so maintained as to show the amount included herein with respect to each leasing agreement.

§ 34.2299 Other provisions for future settlements.

(a) This account shall include the amount of provisions for future settlements not provided for elsewhere.

(b) The records supporting the entries in this account shall be so maintained as to show complete details concerning each item included herein.

Deferred Credits

§ 34.2310 Unamortized premium on debt.

This account shall include the total of the credit balances in the long-term debt discount and premium accounts. (See particularly paragraph (c) of § 34.10-14.)

§ 34.2315 Advances for construction.

(a) This account shall include the amount of such advances for construction as are to be repaid.

(b) When repayment is made of the entire amount to which the person making the advance is entitled, according to the agreement or rule under which the advance is made, the balance, if any, remaining in this account shall be transferred to account 2515, "Contributions of plant."

(c) This account shall be subdivided as follows:

2315:01 Amounts repayable in full.
2315:02 Amounts repayable in part.

§ 34.2320 Credit balances in clearing accounts.

This account shall include the total of the credit balances in all clearing accounts except account 9030, "Supply expense; undistributed." (See also § 34.90-2.)

§ 34.2399 Other deferred credits.

(a) This account shall include the amount of deferred credits not provided for elsewhere including unamortized investment credits. (See also §§ 34.03-15 and 34.31-2(d).)

(b) The records supporting the entries in this account shall be so maintained that the carrier can furnish complete information as to each item included herein.

[28 FR 13102, Dec. 5, 1963, as amended at 29 FR 6013, May 7, 1964]

Capital Stock

§ 34.2410 Capital stock issued.

(a) This account shall include the book amount of actually issued capital stock. (See particularly §§ 34.10-7, 34.10-8, 34.10-9, 34.10-13, and 34.10-17.)

(b) When any class of capital stock or portion thereof is retired, or canceled, this account shall be charged with the amount at which such stock is carried herein.

(c) Separate subaccounts shall be maintained to show the book amount of stock with par value and stock with no par value, classified according to preferences in distribution of dividends or assets, differences in voting rights, and differences in conditions under which they may be retired.

NOTE A: When a levy or assessment (not including a call for payment on subscriptions) is made against holders of capital stock, the amount collected upon such levy or assessment shall be accounted for in accordance with § 34.10-13.

NOTE B: Discount, expense, and premium on capital stock shall be accounted for in accordance with § 34.10-13.

§ 34.2415 Capital stock reacquired.

(a) This account shall include the book amount of capital stock actually issued by the carrier and reacquired by it, except stock which is held by trustees of debt-redemption and other funds. No-par stock shall be included in this account at the proportionate amount at which the particular class of stock is included in account 2410, "Capital stock issued."

(b) When any class of capital stock or portion thereof is reacquired or retired, the acquisition cost of the stock and the amount of unamortized discount, expense, or premium applicable thereto shall be accounted for in accordance with § 34.10-13.

(c) When reacquired capital stock is sold, the book amount of the stock shall be credited to this account and the difference between such amount and the amount received from the sale less commissions and expenses incurred in the sale shall be charged or credited, as appropriate, to account 2599, "Other capital surplus": *Provided, however,* That charges shall be made to account 8299, "Miscellaneous charges to earned surplus," to the extent that the amounts thereof exceed the balance in account 2599. In no event shall charges in excess of accumulated credits from the reacquisition, resale, or retirement of capital stock of the same class be charged to account 2599.

(d) A separate subaccount, with appropriate title, shall be maintained for each class of capital stock reacquired.

§ 34.2420 Capital stock subscribed; unissued.

(a) This account shall include the book amount of capital stock for which legally enforceable subscriptions have been received but for which stock certificates have not been issued. (See also § 34.2160.)

(b) When the amount of each subscription is received and stock certificates are issued, this account shall be charged and account 2410, "Capital stock issued," shall be credited with the book amount of such stock.

(c) A separate subaccount, with appropriate title, shall be maintained for each class of capital stock.

§ 34.2425 Obligations for stock conversion.

(a) This account shall include the book amount of capital stock that the carrier has agreed to exchange for the outstanding securities of other companies which have not been surrendered for exchange. (See particularly § 34.10-8.)

(b) When the securities of the other companies have been surrendered, this account shall be charged and account 2410, "Capital stock issued," shall be credited with the book amount of the stock given in exchange.

(c) A separate subaccount, with appropriate title, shall be maintained for each class of capital stock.

Capital Surplus

§ 34.2510 Premiums and assessments on capital stock.

This account shall include the total of the credit balances in the capital stock discount and premium accounts. (See particularly § 34.10-13.)

§ 34.2515 Contributions of plant.

(a) This account shall include the amounts of money or its equivalent contributed directly or indirectly to the carrier for the construction or acquisition of plant. (See also paragraph (b) of § 34.1-2.)

(b) The amounts credited to this account shall not be transferred to any other account without the approval of this Commission.

(c) The records supporting the entries in this account shall be so maintained as to show complete information with respect to each contribution, including the amount and purpose, the conditions upon which it was made, and the name of donor.

§ 34.2599 Other capital surplus.

(a) This account shall include all surplus not classified as earned surplus, as premiums and assessments on capital stock, or as contributions of plant. It shall include credits from sales by the carrier of its reacquired capital stock; surplus arising from the retirement and cancellation, from a reduction of the stated value, and from donations by stockholders, of the carrier's capital stock; surplus arising from forgiveness debt of the carrier; and surplus recorded upon reorganization or recapitalization of the carrier. (See §§ 34.10-13 and 34.2415.)

(b) The records supporting the entries in this account shall be so maintained as to permit a ready analysis of the charges and credits.

Earned Surplus

§ 34.2610 Contractual reserves.

(a) This account shall include the amount of earned surplus reserved or otherwise set aside in accordance with the terms of mortgages, deeds of trust, orders of courts, contracts, or other agreements. (See also § 34.30-2.)

(b) Separate subaccounts shall be maintained under such titles as will designate the obligation in support of which each reserve recorded hereunder was created.

§ 34.2615 Reserve against impairment of stated capital.

(a) This account shall be credited with amounts charged to account 8315, "Earned surplus employed in reacquisition of capital stock," as provided in paragraph (g) of § 34.10-7.

(b) Upon resale or retirement of such reacquired stock, this account shall be charged and account 8315, "Earned surplus employed in reacquisition of capital stock," shall be credited.

§ 34.2620 Miscellaneous reserves.

(a) This account shall include the amount of reservations of earned surplus not provided for elsewhere.

(b) Separate subaccounts shall be maintained under such titles as will designate the purpose for which each reserve recorded hereunder was created.

§ 34.2699 Unappropriated earned surplus.

This account shall include the amount of net earned surplus after providing for reservations and appropriations. (See particularly § 34.10-10.)

OPERATED PLANT ACCOUNTS

INSTRUCTIONS

§ 34.1-1 Purpose and content of operated plant accounts.

(a) The operated plant accounts are designed to show the original cost of the carrier's plant having a service life of more than 1 year, whether used by the carrier or others in its regulated operations or in common with its nonregulated operations. (Account 1400, "Plant held for future communication use," shall also be classified according to the titles and texts provided for the several operated plant accounts.) (See also § 34.03-8.)

(b) When operated plant ordinarily having a service life of more than 1 year is installed for temporary use in radiotelegraph service, it shall be accounted for in the same manner as other plant having a service life of more than 1 year.

(c) The cost of individual items of equipment, such as tools and office equipment, costing $200 or less or of short life shall be charged to the appropriate operating expense or clearing accounts according to the use of such items, except that such accounting shall not be permitted when the investment in such property is relatively large and the correctness of the accounting therefor is verified by current inventories.

(d) The cost of plant includible in the following balance-sheet accounts shall be classified according to the titles and texts of the several plant accounts in the manner indicated by the chart under § 34.1-99, which also shows the method for combining balance-sheet and plant account numbers when it is desired to indicate both the use and the class of plant:

1000 Operated plant in carrier's service.
1100 Operated plant leased to others.
1200 Improvements and replacements of operated plant leased from others.
1400 Plant held for future communication use.

(e) The records supporting the entries in the operated plant accounts shall be so maintained as to show the cost of plant used at each station or city office.

[28 FR 13102, Dec. 5, 1963, as amended at 46 FR 52376, Oct. 27, 1981; 48 FR 45085, Sept. 30, 1983]

§ 34.1-2 Accounting for plant acquisitions.

(a) Plant previously in public use contributed to the carrier, or plant constructed by the carrier through expenditures of contributed money or its equivalent, shall be charged to the plant accounts on basis of original cost, and there shall be credited to the allowance for depreciation and allowance for amortization accounts the estimated amounts of depreciation and amortization requirements applicable to the plant at the date of acquisition. Plant not previously in public use contributed to the carrier shall be charged to the plant accounts at its estimated cost new at date of contribution and there shall be credited to the appropriate allowance for depreciation and allowance for amortization accounts the estimated amounts of such requirements applicable to the plant at that date. The difference between the amounts so includible in the plant and the allowance accounts shall be credited to account 2515, "Contributions of plant."

(b) Amounts received for construction which are ultimately to be repaid, wholly or in part, shall be credited to account 2315, "Advances for construction"; when final determination has been made as to the amount to be repaid, any amounts not subject to refund shall be transferred to account 2515, "Contributions of plant."

(c) When property that comprises a substantially complete operating system or operating unit or interest therein is (or, prior to the effective date of this system of accounts, has been) acquired from predecessors by purchase, merger, consolidation, liquidation, or otherwise, that portion of the acquisition cost applicable to operated plant, plant under construction, and plant held for future communication use shall be charged to account 91, "Plant acquired; undistributed charges."

(d) The accounting for the acquisition of such plant shall then be completed as follows:

(1) The original cost of such plant shall be charged to the plant accounts and account 1300, "Plant under construction," as appropriate, and credited to account 91, "Plant acquired; undistributed charges." When the actual original cost cannot be determined and estimates are used, the carrier shall maintain records to show the particulars of such estimates.

(2) The required allowances for depreciation and amortization of such plant at date of acquisition shall be credited to accounts 1515, "Allowance for depreciation; radiotelegraph plant," and 1520, "Allowance for amortization; radiotelegraph plant," respectively, and charged to account 91, "Plant acquired; undistributed charges."

(3) The amount remaining in account 91, "Plant acquired; undistributed charges," applicable to such plant, upon the completion of the entries provided in paragraphs (1) and (2) of this paragraph (d), shall be transferred to account 1510, "Plant acquisition adjustments," except that, when any amount thus transferable to account 1510 applies to duplicate or other plant which is intended to be retired by the carrier in the reconstruction of the acquired plant and its consolidation with previously owned plant, a statement indicating the plan of the accounting proposed for the entire amount applicable to such plant shall be submitted for consideration and approval by this Commission.

(e) The accounting for radiotelegraph plant acquired from predecessors not provided for in paragraphs (c) and (d) of this section shall be upon basis of acquisition cost to the carrier.

(f) A memorandum record shall be kept of the amount of contributions applicable to the plant acquired as shown by the accounts of the previous owner.

(g) Copies of journal entries recording the acquisition of (1) substantially complete operating systems, (2) substantially complete operating units, or (3) other plant (when the consideration paid for such other plant is $25,000 or more), and of the entries clearing the amounts originally charged to account 91, "Plant acquired; undistributed charges," shall be submitted within 90 days from the respective dates of such original and clearing entries for consideration and approval by the Commission. The text of such entries shall give a complete description of the plant acquired and the bases upon which the amounts of the entries have been determined.

(h) In connection with the acquisition of substantially complete operating systems or operating units, the carrier shall procure from the grantor (and the grantor shall deliver) all existing records relating to the property acquired, or certified copies thereof.

(i) If the acquisition involves construction by the accounting carrier, the provisions of §§ 34.1-3 and 34.1-4 shall be observed.

NOTE: The cost of valuations, inventories, and appraisals taken in connection with the contemplated acquisition of plant shall be charged to account 1935, "Preliminary survey and investigation charges." If the plant is acquired, the preliminary costs shall be accounted for as a part of the cost of acquisition. If the contemplated acquisition is abandoned such costs, including options paid, shall be charged to account 6299, "Other extraordinary income charges."

[28 FR 13102, Dec. 5, 1963, as amended at 29 FR 12775, Sept. 10, 1964]

§ 34.1-3 Components of construction cost.

(a) The cost of construction properly includible in the plant accounts shall include the applicable direct and overhead costs, listed and described in paragraph (c) of this section and in § 34.1-4 and other analogous items in connection with such work.

(b) When a part only of a project is placed in operation or is completed ready for service and the construction work as a whole is incomplete, that part of the plant placed in operation or ready for service shall be accounted for as completed.

(c) The following is a description of the principal components of construction costs:

(1) The pay and the expenses in lieu of wages of employees engaged in construction work, including the pay and expenses of foremen and inspectors in charge thereof.

(2) The purchase price at the point of free delivery of material and supplies, plus customs duties and excise taxes; the cost of inspection and handling; transportation to first point of delivery to the carrier; an equitable portion of supply expense; the total cost of fabricated material from the carrier's shop; the book cost of reusable material; and the cost of tools consumed on a project.

NOTE: In determining the cost of material used, proper allowance shall be made for unused material and supplies, material recovered from temporary arrangements used in performing the work, salvage value of tools released from the project, and cash and other discounts realized in the purchase of material and supplies.

(3) The cost of transporting employees, material and supplies, tools, and work equipment not under its own power. Transportation of material and supplies includes transportation from point of first delivery to point of use. It includes amounts paid to others as well as the cost of operating the carrier's own transportation equipment.

(4) The cost of protecting the carrier's property from fire or other casualties and the cost of preventing injury to others and damage to the property of others.

(5) Expenditures or losses on account of injuries to persons and damages to the property of others. (See also §§ 34.4430 and 34.4435.)

(6) Payments for and expenses incurred in securing temporary privileges, permits, or rights in connection with construction work, such as for the use of private or public property, streets, or highways.

(7) Taxes on physical property during construction and before the facilities are completed ready for service, assessed separately from taxes on operating property or under conditions which permit separate identification or allocation of the amount chargeable to construction; also the portion applicable to construction costs of taxes imposed under the Social Security Act and similar State statutes.

(8) The net cost of borrowed funds used for construction purposes and a reasonable rate upon the carrier's own funds when so used. Such amounts

shall be charged to the individual project upon which the funds are expended and shall be credited to account 5225, "Interest charged to construction—Cr." The period for which interest may be included in the cost of construction shall be limited to the duration of the construction work. In case construction work is suspended, interest covering a period of more than 6 months from the date of such suspension shall not be included in the cost of construction except when authorized by this Commission. No interest costs for projects that have been abandoned shall be included in these accounts.

(9) Premiums paid or amounts provided as self-insurance for protection against loss and damage by fire and other casualties, injury to or death of employees or others, damage to property of others, defalcation of employees and agents, nonperformance of contractual obligations of others, and the cost of workmen's compensation or similar insurance.

(10) The cost of telephone, water, electricity, power, office space, equipment, and analogous items allocable to the construction projects; also similar items furnished by the carrier through its regular operating facilities.

(11) The pay and expenses of operators and helpers required for machine operation, material and supplies consumed, depreciation, and other expenses incurred in the maintenance, operation, and use of special machines such as steam shovels, pile drivers, and other labor-saving machines; also expenditures for rental, maintenance, and operation of such machines owned by others. When a particular construction project requires the purchase of special machines, the cost thereof, less the appraised or salvage value at the time of release from the project, shall be included in this component.

(12) The applicable portion of the pay and of the office and other expenses of the carrier's engineers and their staffs responsible primarily for technical features of construction work.

(13) Amounts paid to other companies, firms, or individuals engaged by the carrier to plan, design, prepare estimates, supervise, inspect, or give general advice and assistance in connection with construction work. A copy of the agreement or arrangement under which such services are rendered shall be preserved by the carrier.

(14) An equitable portion of the pay and of the office and other expenses of the general officers and their staffs. Such amounts shall be determined in accordance with § 34.03-17.

(15) Amounts paid for work performed under contract by other persons. Costs incident to the award of such contracts, to the inspection of such work, and to any other work of any character performed by the carrier in connection with a contract-work project shall be included in the component of construction cost appropriate for the character of the service performed or the expense incurred.

(16) Any incidental revenues received or earned during the construction period, less the costs incident to producing the earnings, shall be credited to the cost of construction.

§ 34.1-4 Overhead construction costs.

(a) All overhead construction costs, such as engineering, supervision, general office salaries and expenses, construction engineering and supervision by others than the carrier, law expenses, insurance, injuries and damages, relief and pensions, taxes, and interest, shall be charged to particular projects or units on the basis of the amounts of such overheads reasonably applicable thereto, to the end that each project or unit shall bear its equitable portion of such costs and that the entire cost of the unit, both direct and overhead, shall be deducted from the plant accounts at the time the unit of plant is retired.

(b) The records supporting the entries for overhead construction costs shall be so maintained as to show the nature of the expenditures, the individual projects and accounts charged, and the bases of the distribution of such costs.

(c) The instructions contained herein shall not be interpreted as permitting the inclusion in the operated plant accounts of arbitrary amounts to cover assumed overhead costs, but as requiring the assignment to particular projects and accounts of actual and reasonable overhead costs.

§ 34.1-5 Improvements and replacements of operated plant leased from others.

(a) Except as provided in paragraphs (b) and (c) of this section, the cost of initial improvements (including repairs, rearrangements, and additions) to operated plant leased from others, made in the course of preparing the plant for service and the cost of any subsequent additions to and replacements of the leased plant, shall be charged to the operated plant accounts appropriate for the class of plant leased. (See also § 34.1-2.)

(b) When, under the terms of a leasing agreement, the carrier, as lessee, is required to make specific improvements to leased plant, and such improvements revert to the lessor and constitute a part of the consideration paid for use of the plant, the cost of such improvements shall be charged by the lessee to account 1815, "Prepaid rents," and amortized over the life of the lease to the appropriate rent account. Such portion of the cost of the improvements as represents additions to the leased plant shall be charged by the lessor (if a radiotelegraph carrier) to the appropriate plant accounts and credited to an appropriate subaccount under account 2399, "Other deferred credits." Amounts thus credited to account 2399 shall be amortized over the life of the lease to the appropriate rent account.

(c) When improvements to leased plant otherwise chargeable to the plant accounts are of relatively minor cost or short life, or the period of the lease is not more than 1 year, the cost thereof shall be charged to the accounts appropriate for the cost of repairs of such plant.

(d) When, under the terms of a lease, the carrier, as lessee, is required to replace or to restore the condition of plant leased from others, depreciation charges on such original plant shall be computed on the same basis as for owned depreciable plant. Such amount shall be charged to account 4910, "Depreciation," and (if not subject to current settlement with the lessor) credited to account 2225, "Provisions for depreciation and replacement of operated plant leased from others." (See also § 34.04-3.)

(e) When, under the terms of a lease, the carrier, as lessee, is required to replace or to restore the condition of plant leased from others, the cost of leased plant retired by the lessee shall be credited to account 2230, "Leased operated plant retired." Such amount, together with the cost of removal, shall be charged, and the salvage value and any other amounts recovered shall be credited to account 2225, "Provisions for depreciation and replacement of operated plant leased from others."

(f) The accounting for the retirement of improvements and replacements of leased plant made by the lessee shall be as provided in § 34.1-6.

(g) Upon termination of a lease and surrender of the plant to the lessor, the accounting by the lessor (if a radiotelegraph carrier) for improvements and replacements of the leased plant which were made by the lessee shall be as follows:

> The plant accounts shall be so adjusted as to include the original cost of the plant returned at the termination of the lease, including the original cost of improvements and replacements made by the lessee, and (as so adjusted) appropriately classified in conformity with § 34.1-2. Account 1515, "Allowance for depreciation; radiotelegraph plant," and account 1520, "Allowance for amortization; radiotelegraph plant," shall be so adjusted as to include the required allowances for depreciation and amortization of such plant. The difference between (1) the net amount of the foregoing adjustments, and (2) the amount of any settlement with the lessee with respect to such plant, shall be charged to account 1999, "Other deferred charges," or credited to account 2399, "Other deferred credits," as appropriate. The amounts recorded in account 1999 or account 2399 with respect to each leasing agreement shall be disposed of in such manner as this Commission may approve or direct.

(h) Each carrier, as lessee, shall maintain memorandum accounts entirely independent of these accounts in which are recorded the cost, and related allowances, of plant placed under its exclusive control by a leasing agreement, and subsequent retirements of such plant while under the control of the carrier. Separate memorandum accounts shall be maintained for each leasing agreement. The records supporting the memorandum accounts shall be maintained in the same manner and detail as for owned operated plant.

§ 34.1-6 Operated plant retired.

(a) To the end that the operated plant accounts shall at all times disclose the cost of plant in service, the cost of retired plant whether replaced or not (except as provided in paragraph (b)(2) of this section), shall be credited to the account or accounts prescribed in this part to which such cost was charged. Every carrier shall take such measures and establish such procedure as will insure strict compliance with these requirements. When any item of plant is retired from service for any reason, the amount in the plant accounts applicable to that item shall be credited thereto and the retirement entry shall cite the original entry of cost of the item retired, by name and page of, or other definite identification of, book or other record in which maintained; except that when such entry cannot be identified or is not available, that fact shall be stated in the retirement entry. The records supporting retirement entries shall show also the aggregate quantity, in units of measure ordinarily used by the carrier, of each retirement unit retired. (See § 34.1-6-1.)

(b) Depreciable operated plant: For the purpose of avoiding undue refinement, the accounting for retirements and replacements of depreciable operated plant shall be as follows:

(1) *Retirement units.* The cost of any unit retired (whether replaced or not) shall be credited to the appropriate plant account. Except as provided in paragraphs (e) and (f) of this section, the entire amount of such cost shall be charged to account 1515, "Allowance for depreciation; radiotelegraph plant." (See also the text of that account and § 34.1-6-1.) The cost of plant installed in place of the plant retired shall be charged to the appropriate plant accounts.

(2) *Minor items.* Any minor item of plant retired and not replaced shall be accounted for as if it were a retirement until except that, if the cost of a minor item of plant is accounted for through the retirement of a unit, no separate credit to the plant account is required when such an item is retired. If a minor item of plant is retired and replaced apart from the retirement unit of which it forms a part or with which it is associated, no adjustment shall be made in account 1515, "Allowance for depreciation; radiotelegraph plant." The cost of the replacement shall be charged to the account appropriate for the cost of maintenance of the plant, except that, if the replacement effects a substantial betterment (the primary aim of which is to make the plant affected more useful, of greater durability, of greater capacity, or more economical in operation), the excess cost in place of the item installed over the cost of the item retired shall be charged to the appropriate plant account.

(c) Land: The cost of land retired shall be credited to account 11, "Land." If the land is sold or transferred completely to nonregulated operations, the difference between the cost of the land and the consideration received less commissions and other expenses of making the sale, shall be charged to account 4999, "Other operating revenue deductions," or credited to account 3899, "Miscellaneous nontransmission revenue," as appropriate. (See also §§ 34.3899 and 34.4999.)

(d) Intangibles: The accounting for franchises, patent rights, leaseholds, and other intangibles retired shall be as provided in the text of account 1520, "Allowance for amortization; radiotelegraph plant."

(e) When operated plant is sold with the associated traffic, the cost of such plant shall be credited to the appropriate plant accounts and the amounts carried with respect thereto in the depreciation and amortization allowance accounts shall be charged to such allowance accounts. The difference between (1) the net of such charges and credits and (2) the consideration received less commissions and other expenses of making the sale shall be charged to account 6299, "Other extraordinary income charges," or credited to account 6199, "Other extraordinary income credits," as appropriate. The accounting for depreciable operated plant sold without the associated traffic shall be as provided in paragraphs (b) and (c) of this section and account 1515, "Allowance for depreciation; radiotelegraph plant."

(f) Upon termination of a lease and transfer of the plant to the lessor, the cost of improvements and replacements made by the lessee to plant leased from others shall be credited to the plant accounts of the lessee in which they stand charged. The amounts applicable to such plant in account 1515, "Allowance for depreciation; radiotelegraph plant," and account 1520, "Allowance for amortization; radiotelegraph plant," shall be cleared from such allowance accounts. The difference between the amounts of the foregoing charges and credits shall be charged or credited, as appropriate, to account 2225, "Provisions for depreciation and replacement of operated plant leased from others." The amount of any settlement with the lessor with respect to such plant shall be charged or credited, as appropriate, to account 2225. The balances in account 2225, and account 2230, "Leased operated plant retired," with respect to each such expired lease shall, upon completion of the foregoing entries, be disposed of in such manner as this Commission may approve or direct.

(g) If, after performing the accounting provided in the foregoing paragraphs of this section and in § 34.04-3, a balance remains in a subaccount of the depreciation or amortization allowance account that has been segregated as applicable to the segment of plant retired, the portion of such balance that is applicable to the calendar year in which the plant is retired, shall be cleared from the allowance account and charged or credited, as appropriate, to the account that was originally charged with the estimated amount of current depreciation or amortization. The remainder of such balance shall be cleared from the allowance account as provided in § 34.03-13.

NOTE A: The cost of valuations, inventories, and appraisals taken in connection with the contemplated sale of plant shall be charged to account 1935, "Preliminary survey and investigation charges." If the plant is sold, the preliminary costs shall be deducted from the sale price in accounting for the plant sold. If the contemplated sale is abandoned, such costs shall be charged to account 6299, "Other extraordinary income charges."

NOTE B: When the retirement of operated plant consisting of a complete operating unit or system or having a book cost of $25,000 or more is occasioned by a sale, all transactions relating thereto shall be initially recorded in account 92, "Plant sold; undistributed credits."

[28 FR 13102, Dec. 5, 1963, as amended at 48 FR 45085, Sept. 30, 1983]

§ 34.1-7 Transfers of plant.

(a) When plant is transferred from one class of communication service to another, the transfer shall be accounted for by transferring the book cost thereof to the appropriate accounts, and likewise any related amounts in the allowance for depreciation and allowance for amortization accounts shall be transferred to the appropriate allowance accounts.

(b) When depreciable operated plant is transferred entirely to nonregulated operations, the transfer shall be accounted for by crediting the appropriate plant accounts and charging account 1515, "Allowance for depreciation; radiotelegraph plant," with the cost of the plant transferred. Account 1515 shall then be credited and account 1625, "Nonregulated investments," shall be charged, for the fair value of the plant transferred. (See also § 34.1625.)

[28 FR 13102, Dec. 5, 1963, as amended at 48 FR 45085, Sept. 30, 1983]

§ 34.1-8 Continuous property-record required.

(a) Not later than January 1, 1940, each carrier shall begin the preparation of a continuous property-record relating to property of the classes represented in the balance-sheet accounts under the caption "Communication plant," and in account 1610, "Miscellaneous physical property." The record shall be completed not later than June 30, 1942, with respect to property as at

December 31, 1939, and with respect to the changes effected therein between the dates of January 1, 1940, and December 31, 1941: *Provided, however,* That such data shall not be used by the carrier in its permanent records until the approval by this Commission of a plan (and list of property units) and other details of a continuous property-record procedure submitted in compliance with the provisions of paragraph (b) of this section.

(b) Not later than June 30, 1940, each carrier shall submit to this Commission, for consideration and approval, a complete plan of the methods to be used in the compilation of the continuous property-record, the installation and maintenance of which are prescribed in paragraph (a) of this section. The plan shall include a list of the property units proposed for use, classified to conform with the operated plant accounts prescribed in this system of accounts. A narrative statement shall accompany such list of proposed units, describing in detail the content and method of maintenance of all forms and other records which are designed for use in compiling the continuous property-record, to the end that a ready analysis with respect to the sufficiency thereof may be made.

(c) The record shall be arranged in conformity with the operated plant accounts prescribed in this system of accounts. It shall be compiled on basis of original cost and shall contain such detailed description and classification of the property units as will permit of ready verification.

§ 34.1-99 Contemplated form of plant statement.

(See § 34.03-9.)

RADIOTELEGRAPH PLANT

Account No. (1)	Particulars (2)	Operated plant			Plant held for future communication use (1400) (6)	Total (7)
		In carrier's service (1000) (3)	Leased to others (1100) (4)	Leased from others—Improvements and replacements (1200) (5)		
	Real estate					
11	Land	(1)	$	$	$	$
12	Land improvements	$				
13	Drainage, sewerage, gas, and water systems.					
14	Buildings					
	Total	$	$	$	$	$
	Fixed and land station aerial systems and lines					
21	Towers and masts	$	(2)	$	$	$
22	Antenna systems		$			
26	Control lines					
27	Power-supply lines					
	Total	$	$	$	$	$
	Fixed and land station transmission equipment					
31	Radio transmitter equipment	$	$	(3)	$	$
33	Cooling apparatus					
34	Receiver equipment				(4)	
36	Power supply and distribution equipment					
37	Ocean cable					
40	Control apparatus					
41	Equipment on customers' premises					
	Total	$	$	$	$	$
	Furniture and office equipment					

RADIOTELEGRAPH PLANT—Continued

Account No. (1)	Particulars (2)	Operated plant			Plant held for future communication use (1400) (6)	Total (7)
		In carrier's service (1000) (3)	Leased to others (1100) (4)	Leased from others—Improvements and replacements (1200) (5)		
51	Furniture and office equipment	$	$	$	$	$
	Mobile station equipment					
61	Shipstation equipment	$	$	$	$	$
69	Other mobile station equipment					
	Total	$	$	$	$	$
	Work equipment					
71	Transportation equipment	$	$	$	$	$
72	Shop equipment, tools, and implements					
73	Store and warehouse equipment					
	Total	$	$	$	$	$
	Intangibles					
81	Organization	$	$	$	$	$
82	Franchises					
83	Patent rights					
84	Leaseholds					
89	Other intangibles					
	Total	$	$	$	$	$
	Total classified plant	$	$	$	$	$
91	Add: Plant acquired; undistributed charges					
	$					$
92	Deduct: Plant sold; undistributed credits					
	Total radiotelegraph plant	$	$	$	$	$

[1] [2] [3] [4] The accounts represented, if appropriate, at the 4 respective points bearing these symbols shall be numbered, fo example, 1011, 1121, 1231, and 1434, respectively.

[28 FR 13102, Dec. 5, 1963, as amended at 29 FR 12775, Sept. 10, 1964; 32 FR 2635, Feb. 8, 1967]

PRESCRIBED ACCOUNTS

NOTE: Number to the right of the decimal point is the account number.

Real Estate

§ 34.11 Land.

(a) This account shall include the cost of land used in radiotelegraph service. (See also account 84, "Leaseholds.")

(b) When improved land is acquired, the cost shall be fairly apportioned among the land, the land improvements, the drainage, sewerage, gas, and water systems, and the buildings and accounted for accordingly. If the plan of acquisition contemplates the removal of any improvements (including buildings), the total cost of the land and the property to be removed shall be accounted for as the cost of the land, and the amount of salvage recovered from the property removed shall be deducted from the cost of the land.

ITEMS

(See § 34.03-12)

Assessments for the construction of public improvements. (See also note B to this account.)

Clearing or defending title against claims relating to a period prior to the purchase.

Commissions and fees to brokers, agents, and others.

Condemnation proceedings, including court costs and special counsel fees.
Conveyancer and notarial fees.
Examination and registration of titles.
Relocating property of others in the acquisition of such land.
Taxes assumed on land, applicable to a period prior to the date of acquisition.
Voiding leases to secure possession of land acquired.

NOTE A: When land is acquired in excess of that required for radiotelegraph purposes or is acquired without a definite plan for its use in communication service, its cost shall be charged in account 1610, "Miscellaneous physical property."

NOTE B: Installments of assessments for public improvements, including interest, that are deferred without option to the carrier shall be included in this account, only as they become due and payable. Interest on assessments that are not paid when due shall be included in account 5235, "Other interest charges."

§ 34.12 Land improvements.

This account shall include the cost of improvements made or acquired by the carrier on land used in radiotelegraph service. (See also §§ 34.11, 34.13, and 34.14.)

ITEMS

(See § 34.03-12)

Fences.
Hedges.
Lawns.
Retaining walls. (See also account 14, "Buildings.")
Roads.
Sidewalks.
Swimming pools (outdoor).
Tennis courts.
Yard lighting equipment.

§ 34.13 Drainage, sewerage, gas, and water systems.

(a) This account shall include the cost of drainage, sewerage, gas, and water systems used in radiotelegraph service. (See also § 34.11.)

(b) This account shall include also the cost of shelters used only for housing machinery used in connection with the operation of drainage, sewerage, gas, and water systems.

ITEMS

(See § 34.03-12)

Basins.
Hydrants.
Machinery used only for the operation of these systems.
Manholes and handholes.
Piping.
Reservoirs.
Tanks; septic, water.
Tiling.
Wells.

NOTE: This account shall not include the cost of piping or equipment located within and serving only one building includible in account 14, "Buildings."

§ 34.14 Buildings.

This account shall include the cost of buildings, not specifically includible in other accounts, used in radiotelegraph service, and the cost of permanent fixtures, machinery, appurtenances, and appliances installed as parts thereof. (See also § 34.11.)

ITEMS

(See § 34.03-12)

Awnings.
Boilers, furnaces, fixtures, and machinery for heating, lighting, and ventilating.
Cable vaults and conduits constructed as part of the building.
Central air conditioning systems.
Commissions and fees to brokers, agents, architects, and others.
Door checks and door stops.
Drainage and sewerage, inside piping and equipment. (See also account 13, "Drainage, sewerage, gas, and water systems.")
Electric shielding.
Electric wiring.
Elevators and escalators.
Fire-extinguisher systems.
Garages and shops.
General and other office buildings.
Grading, excavating, and preparing grounds for buildings, including clearing of grounds after construction.
Ground systems (installed with buildings).
Improvements to leased buildings. (See particularly § 34.1-5.)
Linoleum and similar floor coverings, excluding carpets and rugs.
Motors and generators.
Partitions, including movable.
Piers and foundations for machinery constructed as a permanent part of a building.
Platforms, storage or loading.
Refrigeration systems.
Retaining walls (erected in connection with buildings).
Screens, door and window.
Signs; permanent, attached to buildings.
Sprinkling systems.
Storm doors and windows.

Taxes assumed on buildings, applicable to the period prior to the date of acquisition.
Voiding leases to secure possession of buildings acquired.
Water, steam, and gas pipes.
Window shades and ventilators.

NOTE A: This account shall not include the cost of any equipment, apparatus, or wiring for generating or controlling electricity for operation of the communication system.

NOTE B: The cost of shelters used exclusively for housing drainage, sewerage, gas and water systems, and power supply equipment shall be included in account 13, "Drainage, sewerage, gas and water systems," or account 36, "Power supply and distribution equipment," as appropriate.

[28 FR 13102, Dec. 5, 1963, as amended at 32 FR 2635, Feb. 8, 1967]

Fixed and Land Station Aerial Systems and Lines

§ 34.21 Towers and masts.

This account shall include the cost of towers and masts (including pole-type masts) and other antenna-supporting structures and special fixtures used in radiotelegraph service; also the cost of beacon lights and their accessories.

ITEMS

(See § 34.03-12)

Anchors.
Bolts, nuts, and braces.
Cost of initial clearing of area prior to construction.
Excavation.
Foundations.
Grading.
Guys.
Halyards; permanent.
Insulated bases.
Permits and privileges for construction. (See particularly paragraph (c) (6) of § 34.1-3.)
Steel plates and angles.
Topmasts.
Tower or mast ground systems for protection against lightning.
Tower lighting systems.

§ 34.22 Antenna systems.

This account shall include the cost of aerial wire and accessory items comprising the antenna systems used in radiotelegraph service, including the associated ground and counterpoise systems, radio-frequency transmission lines, tuning coils, and sleet-melting installations.

ITEMS

(See § 34.03-12)

Aerial assemblies or arrays

Anchors.
Bridle rings and wire.
Insulators and thimbles.
Permits and privileges for construction. (See particularly § 34.1-3(c)(6).)
Spreaders.
Switches.
Transposition brackets.
Wire and cable (aerial).

Ground or counterpoise systems

Clamps and rods.
Counterpoise supports.
Insulators and thimbles.
Plates and pipes.
Protectors and arresters.
Tie wires.
Wire and cable (ground).

Radiofrequency transmission lines

Anchors.
Bolts, nuts, and brackets.
Clearing routes and tree trimmings prior to construction.
Guy clamps.
Guy wire or strand.
Harmonic tuning traps.
Insulators.
Lightning arresters.
Permits and privileges for construction. (See particularly § 34.1-3(c)(6).)
Pins.
Poles.
Wire.

NOTE A: The cost of ground systems installed with buildings shall be included in account 14, "Buildings."

NOTE B: The cost of loop or rod antennas which are integral with or essentially a part of receivers, field strength measuring sets, automobiles, or other similar devices or vehicles should not be included in this account.

[28 FR 13102, Dec. 5, 1963, as amended at 32 FR 2635, Feb. 8, 1967]

§ 34.26 Control lines.

This account shall include the cost of wire, cable, conduit, pole lines, and associated equipment used in radiotelegraph service for intercommunicating, dispatching, originating, terminating, tie lines to customers' premises, and other control purposes.

ITEMS

(See § 34.03-12)

Anchors.
Braces and brackets.
Cables.
Clearing routes and tree trimming, except maintenance of previous clearings.
Conduits.
Crossarms.
Ducts.
Field telephone systems.
Guys.
Insulators.
Manholes and handholes.
Permits and privileges for construction. (See particularly paragraph (c) (6) of § 34.1-3.)
Poles.
Protectors and arresters.
Tie wires.
Wire.

NOTE A: The cost of interior wiring shall be included in the account appropriate for the cost of plant with which it is associated.

NOTE B: The amounts of payments made to other persons for extending their lines to the carrier's station or office, when such facilities remain the property of such other persons, and when the amounts paid are not subject to rebate, shall be included in account 89, "Other intangibles."

§ 34.27 Power-supply lines.

(a) This account shall include the cost of wire, cable, conduit, pole lines, and associated equipment used in the transmission of power for the carrier's radiotelegraph service.

(b) This account shall include the cost of lines from the point of connection with the primary source of power to the point of termination in the main power-supply switchboard, fuse panel, or distribution box.

ITEMS

(See § 34.03-12)

Anchors.
Braces and brackets.
Cable.
Clearing routes and tree trimming, except maintenance of previous clearings.
Conduits.
Crossarms.
Ducts.
Guys.
Insulators.
Lightning arresters.
Manholes and handholes.
Permits and privileges for construction. (See particularly paragraph (c) (6) of § 34.1-3.)
Poles.
Tie wires.
Wire.

NOTE: The amounts of payments made to other persons for extending their lines to the carrier's station or office, when such facilities remain the property of such other persons and when the amounts paid are not subject to rebate, shall be included in account 89, "Other intangibles."

Fixed and Land Station Transmission Equipment

§ 34.31 Radio transmitter equipment.

This account shall include the cost of radio transmitters and associated equipment used in radiotelegraph service. (See §§ 34.22, 34.26, 34.36, and 34.40.)

ITEMS

(See § 34.03-12)

Air ducts and oil coolers.
Amplifiers; power, audio.
Antenna coupling devices (inside).
Circulating pumps and blowers.
Crystal oscillators.
Electron tubes. (See § 34.41-7.)
Exciters and drivers.
Filament motor generators.
Meters (permanently installed).
Rectifiers (if a part of the transmitter).
Steel mesh partitions.
Transmitter control panels.
Voltage regulators.

[32 FR 2636, Feb. 8, 1967]

§ 34.33 Cooling apparatus.

This account shall include the cost of cooling towers and ponds and other apparatus for cooling transmitter and power supply equipment used in radiotelegraph service. (See also § 34.13.)

ITEMS

(See § 34.03-12)

Air ducts.
Blowers.
Brine tanks.
Connecting pipes.
Cooling ponds.
Cooling towers.
Fans.
Meters.
Pumps.
Radiators.
Sumps.
Water storage tanks.

NOTE: The cost of cooling apparatus that forms an integral part of transmitter or power supply equipment shall be included in account 31, "Radio transmitter equipment," or account 36, "Power supply and distribution equipment," as appropriate.

[28 FR 13102, Dec. 5, 1963, as amended at 32 FR 2636, Feb. 8, 1967]

§ 34.34 Receiver equipment.

This account shall include the cost of receivers and associated receiver equipment used in radiotelegraph service.

ITEMS

(See § 34.03-12)

Amplifiers.
Control units.
Converters.
Diversity and other equipment racks.
Electron tubes. (See § 34.41-7.)
Filters.
Meters (permanently installed).
Oscillators.
Resistors.
Switch and control panels.
Tables, pedestals, and other supports (permanently attached).
Tone keyers.
Transformers.
Tuners.

§ 34.36 Power supply and distribution equipment.

(a) This account shall include the cost of all power supply and distribution equipment serving as or associated with the prime source of power used in radiotelegraph service.

(b) This account shall include also the cost of power rectifiers or motor generator installations (not forming an integral part of a transmitter) that are provided as a common source of power for a multiplicity of transmitters or other equipment. (See also § 34.31.)

(c) This account shall include also the cost of storage battery equipment used in radiotelegraph service for the purpose of supplying main, emergency, or auxiliary power.

ITEMS

(See § 34.03-12)

Other than storage battery equipment

Alternators.
Armatures.
Circuit breakers.
Compensators.
Control panels.
Electron tubes. (See § 34.41-7)
Fuse panels.
Generators.
Indicators.
Meters.
Motors.
Power factor correction capacitors.
Rectifiers.
Shelters or housings.
Starters.
Switchboards.
Transformers.

Storage battery equipment

Batteries.
Battery cases and racks.
Battery room connections.
Charging equipment.
Shelters and housings.
Switching equipment used exclusively for storage batteries.
Tanks and tank insulators.

NOTE A: The cost of lines leading from the main power switchboard, fuse panels, or distribution boxes to the power-supply lines, shall be included in account 27, "Power-supply lines."

NOTE B: The cost of dry cells shall be charged to the appropriate operating expense account.

[28 FR 13102, Dec. 5, 1963, as amended at 32 FR 2636, Feb. 8, 1967]

§ 34.37 Ocean cable.

This account shall include the cost of ocean cable, including ocean-cable repeaters, which is not appropriate for inclusion in account 1530, "Telephone, wire-telegraph, and ocean-cable plant."

[29 FR 12775, Sept. 10, 1964]

§ 34.40 Control apparatus.

(a) This account shall include the cost of telephone, telegraph, and other control apparatus, and associated interior wiring, in transmitting and receiving stations and in city or control offices, used for intercommunicating, dispatching, originating, terminating, and other control purposes in radiotelegraph service.

(b) This account shall include also the cost of frequency-measuring installations used for control purposes by the carrier or in the rendition of a commercial frequency-measuring service for others.

(c) This account shall include also the cost of photogram, facsimile, television, and similar equipment, not includible in other accounts, used in radiotelegraph service.

ITEMS

(See § 34.03-12)

Frequency-measuring equipment

Equipment rack.
Frequency indicator.
Receiver.

Message transmitting and receiving apparatus

Automatic transmitters.
Desks or tables fitted with apparatus or used as mountings for apparatus.
Facsimile machines.
Photoradio operating tables, receiving recorders, scanner units, and transmitting and receiving machines.
Printers; keyboard, page, or tape.
Tape pullers and tape perforators.
Time stamps.
Teletypewriters.
Typewriters, traffic.

Message-conveyor equipment

Conveyor belts.
Pneumatic tubes and associated equipment.

Calling and order-dispatching equipment

Annunciator systems.
Microphone and loud speaker equipment.
Public address equipment.
Registers and call boxes.
Telautograph equipment.

Terminal equipment

Amplifiers and associated equipment.
Code converters.
Control or switching equipment.
Electron tubes. (See § 34.41-7.)
Filters and filter racks.
Fuse, lamp, and mixer panels.
Microphone equipment.
Modulators.
Mountings for line terminal equipment.
Photoradio facsimile and multiplex terminals.
Radio transmitter frequency control equipment.
Relay test panels.
Tone generating equipment.
Volume indicators.

Monitoring equipment

Loud speakers.
Monitor receivers and recorders.
Multiple pen recorders.
Telephone head sets, hand sets, and breast sets.

NOTE A: The cost of outside wiring shall be included in account 26, "Control lines."

NOTE B: The amounts of payments made to other persons for extending their lines (such as pneumatic tube lines) to the carrier's station or office, when such facilities remain the property of such other persons and when the amounts paid are not subject to rebate, shall be included in account 89, "Other intangibles."

[28 FR 13102, Dec. 5, 1963, as amended at 32 FR 2636, Feb. 8, 1967; 48 FR 45085, Sept. 30, 1983]

§ 34.41 Equipment on customers' premises.

(a) This account shall include the cost of equipment installed on customers' premises for use in radiotelegraph service.

(b) This account shall be subdivided as follows:

41:01 Printer equipment.
41:02 Call boxes.
41:99 Other equipment.

ITEMS

(See § 34.03-12)

Call boxes.
Data sets.
Facsimile equipment.
Printer tables.
Printers; keyboard, page, or type.
Telephones.

NOTE A: The cost of outside wiring shall be included in account 26, "Control lines."

NOTE B: See also § 34.1625.

[28 FR 13102, Dec. 5, 1963, as amended at 32 FR 2636, Feb. 8, 1967; 48 FR 45085, Sept. 30, 1983]

Furniture and Office Equipment

§ 34.51 Furniture and office equipment.

This account shall include the cost of furniture, office equipment, and portable fixtures used in radiotelegraph service in stations, offices, storerooms, shops, and other quarters.

ITEMS

(See § 34.03-12)

Air conditioning units, portable.
Beds, cots, and couches.
Bins, counters, and shelves.
Bookcases.
Cabinets and filing cases.
Chairs, carpets, and rugs.
Clocks.
Data processing equipment.
Davenports.
Dehumidifying units, portable.

Desks.
Drapes.
Electric heaters.
Equipment in kitchens and in rest, dining, recreation, and medical rooms.
Fans, electric, portable.
Fire-extinguisher equipment, portable.
Floor scrubbing and polishing machines.
Gas and electric fixtures, portable.
Lockers and wardrobes, portable.
Microfilm equipment.
Mirrors, portable.
Motion-picture equipment.
Office devices, including addressing, billing, blueprinting, computing, dating, duplicating, mailing, photostat and recording machines, cash registers, check writers, postage-meter machines, typewriters, and similar items.
Pianos and phonographs.
Projection equipment.
Radio sets.
Racks; magazine, newspaper, umbrella, and clothing.
Refrigerators, portable.
Safes.
Signs, portable.
Shoe-shining equipment.
Stoves.
Tables.
Television sets.
Vacuum sweepers.
Water coolers.

NOTE A: The cost of fixtures attached to and constituting a part of buildings shall be charged to account 14, "Buildings."

NOTE B: The cost of traffic typewriters is includible in account 40, "Control apparatus."

[28 FR 13102, Dec. 5, 1963, as amended at 32 FR 2636, Feb. 8, 1967]

Mobile Station Equipment

§ 34.61 Ship station equipment.

(a) This account shall include the cost of equipment used in radiotelegraph service at ship stations.

(b) The records supporting the entries in this account shall be so maintained as to indicate the cost of equipment at each ship station.

ITEMS

(See § 34.03-12)

Antenna systems.
Control panels.
Electron tubes. (See § 34.41-7.)
Emergency power supply.
Motor generators.
Receivers.
Transmitters.

§ 34.69 Other mobile station equipment.

(a) This account shall include the cost of equipment used in radiotelegraph service at mobile stations, other than ship stations.

(b) This account shall be subdivided as follows:

69:01 Aircraft station equipment.
69:02 Equipment at mobile stations other than ship or aircraft.

(c) The records supporting the entries in this account shall be so maintained as to indicate the cost of the equipment at each such mobile station.

ITEMS

(See § 34.03-12)

Antenna systems.
Control panels.
Electron tubes. (See § 34.41-7.)
Emergency power supply.
Motor generators.
Receivers.
Transmitters.

Work Equipment

§ 34.71 Transportation equipment.

This account shall include the cost of transportation equipment and appurtenances thereto used in radiotelegraph service.

ITEMS

(See § 34.03-12)

Automobiles and airplanes.
Bicycles and scooter-bikes.
Boats and barges.
Hand trucks and carts.
Motorcycles.
Trailers.
Trucks and tractors (including those equipped with earth-boring machines, pumps, winches, and similar items).

[32 FR 2636, Feb. 8, 1967]

§ 34.72 Shop equipment, tools, and implements.

This account shall include the cost of machinery, instruments, tools, appliances, and implements, located at stations, city offices, or shops, and used in testing, maintaining, and constructing radiotelegraph plant.

ITEMS

(See § 34.03-12)

Testing and adjusting equipment

Crystal testing equipment.
Electron tubes. (See § 34.41-7.)
Linemen's test sets.
Megger test sets.
Meters.
Oil testing sets.
Oscillographs and oscilloscopes.
Precision gages.
Relay testers.
Test panels.
Thermocouples.
Vacuum-tube gas-detector.

Portable tools and implements

Air compressors, mobile.
Back-filling machines.
Blowers, power.
Compressed-air tools.
Concrete mixers and breakers.
Cranes, mobile.
Derricks, mobile.
Drills and hammers, power.
Earth-boring machines (not part of truck or tractor).
Forges, portable.
Fuse tongs.
Hand tools. (See particularly § 34.1-1(*c*).)
Hand trucks, carts, and barrows.
Loaders, power.
Tents and tarpaulins.
Torches.
Trenching machines.

Other equipment

Air compressors.
Blowers.
Boring mills.
Compressed-air tools.
Cranes.
Derricks.
Electric ovens.
Engines.
Forges.
Gasoline pumps and tanks.
Generators, electric and gas.
Lathes.
Milling machines.
Motors.
Oil filter presses.
Oil pumps and tanks.
Planers.
Power drills.
Power hammers.
Power loaders.
Presses.
Pumps.
Winches.
Wire-measuring machines.

NOTE A: The cost of chairs, desks, tables, and other items of furniture used in shops shall be included in account 51, "Furniture and office equipment."

NOTE B: Tools carried as supplies unissued shall be charged to account 1795, "Material and supplies," and small hand tools shall be charged to account 9020, "Shop, tool, and implement expense; undistributed."

§ 34.73 Store and warehouse equipment.

This account shall include the cost of equipment and appurtenances in storerooms, warehouses, and material yards used in storing, handling, and packing material and supplies held for use in radiotelegraph service.

ITEMS

(See § 34.03-12)

Barrows.
Bins, portable.
Cabinets, movable.
Conveyers.
Counters, movable.
Cranes.
Furniture and office equipment (located in storerooms and warehouses defined in note A to this account, as distinguished from furniture and office equipment located at stations and city offices).
Gasoline pumps.
Gasoline tanks.
Hand trucks and carts.
Hoists.
Oil pumps.
Oil tanks.
Shelving, movable.
Tools.
Wire-measuring machines.

NOTE A: The storerooms and warehouses to which this account relates are those serving as general distribution centers for materials and supplies and which normally are not located at stations or city offices.

NOTE B: The cost of fixtures attached to and constituting a part of buildings shall be included in account 14, "Buildings."

Intangibles

§ 34.81 Organization.

This account shall include the cost of organizing and incorporating the carrier.

ITEMS

(See § 34.03-12)

Cost of obtaining certificates authorizing the carrier to engage in the public communication business.
Fees and expenses of incorporation.
Fees and expenses of mergers or consolidations.

Office expenses incident to organizing the carrier.

Note A: This account shall not include any discounts upon securities issued or assumed, costs incident to negotiating loans or selling bonds or other evidences of indebtedness, or expenses in connection with the authorization, issuance, sale, or resale of capital stock.

Note B: This account shall not include the cost of preparing and filing papers in connection with the extension of the term of incorporation unless the first organization costs have been written off.

Note C: This account shall not include any organization costs of companies retiring as a result of mergers, consolidations, or reorganizations.

§ 34.82 Franchises.

(a) This account shall include the cost of franchises, consents, and certificates, running in perpetuity or for a specified term of more than 1 year, issued by a national government, a State, or any other political entity.

(b) When any franchise, consent, or certificate expires, is sold, relinquished, or otherwise retired from service, the accounting shall be as provided in account 1520, "Allowance for amortization; radiotelegraph plant."

(c) This account shall be subdivided as follows:

82:01 Perpetual franchises.
82:02 Limited-term franchises.

ITEMS

(See § 34.03-12)

Amounts, other than those includible in account 81, "Organization," paid to a national government, a State, or any other political entity as a condition precedent to engaging in communication business, whether or not the right to occupy public property, streets, or highways is obtained in connection therewith. (See particularly paragraph (c)(6) of § 34.1-3.)

Cost of franchises acquired by assignment.

Cost of plant, material, supplies, and equipment given as the initial consideration for franchises.

Election costs assumed by the carrier for government consent.

Note A: The cost of franchises running for 1 year or less after acquisition shall be charged to account 4460, "Franchise requirements—Dr.," or, if such franchises extend beyond the current calendar year, to account 1899, "Other prepayments," to the extent of its proper portion. Franchises acquired at small cost may be charged to account 4460, irrespective of their term of life.

Note B: Franchise taxes payable annually or more frequently shall be charged to account 4932, "Other taxes; operating."

§ 34.83 Patent rights.

(a) This account shall include the cost of patent rights having a life of more than 1 year from date of acquisition, acquired for use in connection with the carrier's radiotelegraph operations.

(b) When any patent right expires, is sold, or is otherwise retired from service, the accounting shall be as provided in account 1520, "Allowance for amortization; radiotelegraph plant."

ITEMS

(See § 34.03-12)

Costs incident to defending title.

Fees of patent attorneys and other legal expenses.

Filing and registration fees.

Research and development expenses directly assignable.

Note: The cost of patent rights having an estimated service life of 1 year or less, or acquired at small cost, shall be included in account 4499, "Other general expenses."

§ 34.84 Leaseholds.

(a) This account shall include the cost of leaseholds, easements, and similar rights in land and other property having a term of more than 1 year.

(b) When any leasehold expires, is sold, or is otherwise retired from service, the accounting shall be as provided in account 1520, "Allowance for amortization; radiotelegraph plant."

(c) This account shall be subdivided as follows:

84:01 Rights of way.
84:99 Other leaseholds.

ITEMS

(See § 34.03-12)

Conveyancer and notarial fees.

Relocating property of others.

Special counsel and other fees and expenses incurred in connection with leaseholds.

Taxes assumed on leased property applicable to the period prior to the date of the lease.

Note A: The cost of permits to erect poles and to place conduit when the expected period of occupancy under such permits does not exceed the estimated life of the initial plant installed, also the cost of other permits not includible in this account, such as those to place cable and wire on buildings and fences, and the related pay and expenses of employees and other costs incident to acquiring such permits, shall be included in the account appropriate for the cost of the plant constructed. (See particularly paragraph (c)(6) of § 34.1-3.)

NOTE B: Annual or more frequent payments for leaseholds shall be charged to account 4940, "Rent for lease of operated plant," account 4245, "Rent for other facilities," account 4450, "Rent for offices," or account 4455, "Other rents," as appropriate.

§ 34.89 Other intangibles.

(a) This account shall include the cost of assets of an intangible nature not provided for elsewhere, such as the amounts of payments made to other persons for extending their lines to the carrier's station or office, when such facilities remain the property of such other persons, and when the amounts paid are not subject to rebate.

(b) When any intangible item the cost of which is included in this account expires or is otherwise retired from service, the accounting shall be as provided in account 1520, "Allowance for amortization; radiotelegraph plant."

(c) The records supporting the entries in this account shall be so maintained that in the reports to this Commission complete information can be furnished with respect to any amounts included herein.

Other Plant Accounts

§ 34.91 Plant acquired; undistributed charges.

(a) This account shall be charged temporarily with the acquisition cost of plant acquired by the carrier, under any of the circumstances provided for in § 34.1-2, pending distribution thereof to the appropriate accounts.

(b) Within 90 days from the date of any entry herein recording an acquisition, the carrier shall submit to this Commission a statement indicating the approximate date that clearance is contemplated.

§ 34.92 Plant sold; undistributed credits.

This account shall be credited temporarily with the selling price of plant, pending distribution thereof to the appropriate accounts. (See § 34.1-6(e).)

INCOME AND EARNED SURPLUS ACCOUNTS

INSTRUCTIONS

§ 34.30-1 Purpose of income accounts.

The income accounts are designed to show for each month and each calendar year the amounts of:

(a) Ordinary income, comprising operating revenues, operating revenue deductions, other communication income, noncommunication income, and deductions from ordinary income,

(b) Extraordinary income charges and credits, and

(c) Deductions from net income, comprising taxes on net income and other deductions.

§ 34.30-2 Income from debt-redemption and other funds.

(a) Interest, dividends, and other income derived from funds classified in accounts 1630 to 1659, inclusive, shall be credited to account 5135, "Income from debt-redemption and other funds."

(b) When the income is required by contractual or other provisions to be held in the fund from which the income arises, an amount equal to the income shall be included in the fund to which it is applicable.

(c) When income derived from these funds is required to be retained in the fund and the fund is represented by a reserve, amounts equal to such income shall be charged to account 8310, "Contractual appropriations of earned surplus," or account 8320, "Miscellaneous appropriations of earned surplus," as appropriate, and credited to the appropriate reserve account. (See also §§ 34.2610 and 34.2620.)

§ 34.30-3 Rents includible in income accounts.

(a) Rents which the carrier receives from others for operated plant, the cost of which is includible in account 1100, "Operated plant leased to others," shall be credited to account

5010, "Income from operated plant leased to others."

NOTE: Rents from operated plant the cost of which is includible in account 1000, "Operated plant in carrier's service," or account 1200, "Improvements and replacements of operated plant leased from others," shall be credited to account 3805, "Revenue from furnishing and servicing stations," or account 3820, "Other leased plant revenue," as appropriate.

(b) All taxes, maintenance, depreciation, amortization, uncollectible rents, or other expenses applicable to plant the income from which is includible in account 5010, "Income from operated plant leased to others," shall be charged to that account by the lessor. When it is necessary to apportion any such amounts between plant owned and used and plant leased to others, the carrier shall be prepared to describe the basis of such apportionment.

(c) Rents paid by the carrier for the exclusive use of substantially complete operating systems or operating units leased from others shall be charged to account 4940, "Rent for lease of operated plant." When taxes, depreciation, amortization, or other expenses applicable to the leased plant are initially accounted for by the lessor, such amounts shall be charged to the appropriate tax, depreciation, amortization, or other accounts by the lessee and credited to account 4940. The lessor shall inform the lessee of the appropriate distribution of such charges.

(d) Taxes, maintenance, depreciation, amortization, and other expenses applicable to leased plant, initially accounted for by the lessee, shall be charged by the lessee to the appropriate tax, maintenance, depreciation, amortization, or other accounts. (See also § 34.1-5.)

§ 34.30-4 Disposition of balances in income accounts.

The net balance of the income accounts (after deductions provided for in accounts 7010 to 7099, inclusive) shall be transferred to account 8110, "Balance transferred from income accounts," at the end of each calendar year.

§ 34.30-5 Purpose of earned surplus accounts.

The earned surplus accounts are designed to show the changes relating to earned surplus, during each calendar year, resulting from (a) the net amount of profit or loss during the period as reflected in the income accounts, (b) accounting adjustments (usually confined to changes in the stated capital of the corporation or to transactions in its own capital stock) not attributable to income under the provisions of this system of accounts, (c) appropriations of earned surplus for specific purposes, and (d) appropriations for dividends.

§ 34.30-6 Disposition of balances in earned surplus accounts.

The net balance of the earned surplus accounts shall be transferred to account 2699, "Unappropriated earned surplus," at the end of each calendar year.

§ 34.30-99 Contemplated form of income and earned surplus statement.

(See § 34.03-9.)

INCOME AND EARNED SURPLUS STATEMENT

Account No. and Particulars		
INCOME		
Ordinary income—Communication		
3000 Operating revenues		$
Operating revenue deductions		
4000 Operating expenses	$	
4910 Depreciation		
4915 Amortization; intangible operated plant		
4920 Amortization of plant acquisition adjustments		
4925 Extraordinary plant losses		
4931 Social security taxes, operating		
4932 Other taxes, operating		
4935 Uncollectible revenues		
4940 Rent for lease of operated plant		
4945 Telephone, wire-telegraph, and ocean-cable operating revenue deductions		
4950 Revenue-contract payments		
4999 Other operating revenue deductions		
		$
Other communication income		
5010 Income from operated plant leased to others		

INCOME AND EARNED SURPLUS STATEMENT—Continued

Account No. and Particulars		
5015 Income from telephone, wire-telegraph, and ocean-cable plant leased to others		
5020 Profit from general services, licenses, and royalties		
5080 Income from foreign operations		
5099 Other communication income		
Operating income		$
Ordinary income—Noncommunication		
5111 Income from nonregulated investments	$	
5120 Dividend income		
5125 Interest income		
5135 Income from debt-redemption and other funds		
5140 Gain or loss on foreign currency exchange (if loss, in red)		
5199 Other noncommunication income		
Gross ordinary income		$
Deductions from ordinary income		
5210 Interest on long-term debt	$	
5215 Interest on indebtedness to affiliates		
5220 Amortization of debt discount	$	
5225 Interest charged to construction—Cr (red)		
5230 Amortization of debt premium—Cr (red)		
5235 Other interest charges		
5240 Taxes assumed on interest		
5245 Amortization of debt expense		
5250 Miscellaneous taxes		
5255 Amortization of plant acquisition adjustments		
5260 Revenue-contract payments		
5299 Other deductions from ordinary income		$
Net ordinary income		$
Extraordinary income—Credits		
6110 Delayed income credits	$	
6199 Other extraordinary income credits		
	$	
Extraordinary income—Charges		
6210 Delayed income charges	$	
6299 Other extraordinary income charges		
Net income		$
Deductions from net income		
7010 Taxes on net income	$	
7099 Other deductions from net income		
Net income transferred to account 8110, "Balance transferred from income accounts"		$

INCOME AND EARNED SURPLUS STATEMENT—Continued

Account No. and Particulars		
EARNED SURPLUS		
2699 Unappropriated earned surplus (at beginning of year)		$
Earned surplus—Credits		
Add		
8110 Balance transferred from income accounts	$	
8199 Miscellaneous credits to earned surplus		
Total		$
Earned surplus—Charges		
8299 Miscellaneous charges to earned surplus		
Earned surplus available for reservation or appropriation		$
Deduct		
8310 Contractual appropriations of earned surplus	$	
8315 Earned surplus employed in reacquisition of capital stock		
8320 Miscellaneous appropriations of earned surplus		
Earned surplus available for dividends		$
Deduct		
8399 Dividend appropriations of earned surplus		
2699 Unappropriated earned surplus (at end of year)		$

[28 FR 13102, Dec. 5, 1963, as amended at 48 FR 45085, Sept. 30, 1983]

PRESCRIBED ACCOUNTS

NOTE: Number to the right of the decimal point is the account number.

INCOME ACCOUNTS

Ordinary Income; Communication

NOTE: See particularly § 34.03-8.

§ 34.3000 Operating revenues.

This account shall include the total operating revenues shown in the operating revenue accounts, derived by the carrier during the accounting period from the furnishing of communication service and services incidental thereto.

Operating revenue deductions

§ 34.4000 Operating expenses.

This account shall include the total operating expenses shown in the operating expense accounts, incurred by the carrier during the accounting period for maintenance of its radiotelegraph plant, and for conducting operations, administrative, and general expenses incurred in furnishing radiotelegraph service and services incidental thereto.

§ 34.4910 Depreciation.

(a) This account shall include the amount of depreciation charges applicable to the accounting period for all classes of operated plant owned by the carrier except such depreciation as is chargeable to clearing accounts, to account 1300, "Plant under construction," and to account 5010, "Income from operated plant leased to others." It shall include also the amount of depreciation charges applicable to the accounting period for all classes of operated plant used but not owned by the carrier, as provided in § 34.30-3. (See also § 34.04-1 to 34.04-3, inclusive, and § 34.1-5.)

(b) This account shall be subdivided as follows:

4910:01 Depreciation; operated plant owned and used.
4910:02 Depreciation; operated plant leased from others.

(c) The records supporting the entries in this account shall be so maintained as to show the amounts applicable to (1) transmission service for each station and (2) nontransmission service.

§ 34.4915 Amortization; intangible operated plant.

(a) This account shall include the amount of amortization charges applicable to the accounting period for intangibles (having a terminable life) the cost of which is includible in operated plant accounts 82, "Franchises," 83, "Patent rights," 84, "Leaseholds," and 89, "Other intangibles," except such amortization as is chargeable to account 5010, "Income from operated plant leased to others." It shall include also the amount of amortization charges applicable to the accounting period for such intangibles used but not owned by the carrier, as provided in § 34.30-3.

(b) The charges to this account shall be such that the cost of each intangible will be amortized, as evenly as may be, over the period of its benefit to the carrier.

(c) This account shall be subdivided as follows:

4915:01 Amortization; intangibles owned and used.
4915:02 Amortization; intangibles leased from others.

§ 34.4920 Amortization of plant-acquisition adjustments.

(a) This account shall be charged or credited, as the case may be, with such amounts as this Commission may authorize or direct to be included in operating revenue deductions under a plan to amortize the amounts in account 1510, "Plant acquisition adjustments."

(b) Amounts recorded in this account shall be credited or charged, as the case may be, to account 1520, "Allowance for amortization; radiotelegraph plant."

§ 34.4925 Extraordinary plant losses.

(a) This account shall be charged and account 1910, "Extraordinary maintenance, depreciation, and retirements," or account 1515, "Allowance for depreciation; radiotelegraph plant," as appropriate, shall be credited with the unprovided-for loss in service value of plant retired for causes not factors in depreciation. (See also § 34.04-4.)

(b) This account shall include also losses in service value, other than relatively minor amounts, suffered through terminations of service when charges for such terminations are made which are designed to recover the loss in service value. The measure of a charge made hereto shall be the portion of the termination charge assignable to recovery of service value loss. Amounts thus charged to this account shall be credited to account 1515. (See also § 34.04-5.)

(c) The records supporting the entries in this account shall be so maintained as to show the amounts applicable to (1) transmission service for each station and (2) nontransmission service.

§ 34.4931 Social security taxes; operating.

(a) This account shall include the amounts for which the carrier is liable on its own behalf for taxes imposed under the Social Security Act and similar State statutes that are properly chargeable to radiotelegraph operations.

(b) This account shall be charged and account 2175, "Tax accruals," shall be credited each month with the amount of taxes that are applicable to the month. When it is not possible to determine the exact amount of taxes for the month, the amount shall be estimated and adjustments shall be made as the actual tax levies become known.

NOTE: The amounts of such taxes not applicable to radiotelegraph operations shall be equitably apportioned among the operated plant accounts and account 5250, "Miscellaneous taxes."

§ 34.4932 Other taxes; operating.

(a) This account shall include, other than taxes on net income and taxes imposed under the Social Security Act and similar State statutes, the amounts of all national, State, county, municipal, and other taxes that are properly chargeable to radiotelegraph operations. (See also §§ 34.4931 and 34.7010.)

(b) This account shall be charged and account 2175, "Tax accruals," shall be credited each month with the amount of taxes that are applicable to the month. When it is not possible to determine the exact amount of taxes for the month, the amount shall be estimated and adjustments shall be made as the actual tax levies become known.

(c) When it is necessary to apportion taxes to radiotelegraph operations, full details as to the methods of and facts considered in the apportionment shall be recorded.

(d) Taxes on plant leased from others, the rent for which is includible in account 4940, "Rent for lease of operated plant," shall be charged to this account by the lessee. Taxes on plant leased to others, the rent from which is includible in account 5010, "Income from operated plant leased to others," when assumed by the lessor, shall be charged to that account by the lessor. (See particularly § 34.30-3.)

(e) The records supporting the entries in this account shall be so maintained as to show the amount of each kind of tax and the basis upon which each charge is made; also the amount of taxes directly assignable to each station and the aggregate amount of taxes not directly assignable.

NOTE A: Taxes assumed by the carrier on interest shall be charged to account 5240, "Taxes assumed on interest."

NOTE B: Taxes on nonoperating property the income from which is includible in account 5110, "Income from miscellaneous physical property," shall be charged to account 5250, "Miscellaneous taxes." Taxes on property the income from which is includible in account 5115, "Income from merchandising, jobbing, and contracting," shall also be charged to account 5250.

NOTE C: Special assessments for the construction of street and other improvements shall be included in the appropriate plant accounts. Special assessments for maintenance thereof and special benefit taxes, such as water taxes, shall be included in the appropriate operating expense accounts.

NOTE D: [Reserved]

NOTE E: The accounting for taxes on plant under construction shall be as provided in paragraph (c)(7) of § 34.1-3.

[28 FR 13102, Dec. 5, 1963, as amended at 48 FR 45085, Sept. 30, 1983]

§ 34.4935 Uncollectible revenues.

(a) This account shall be charged with amounts due from customers and agents for radiotelegraph services rendered which are considered to be uncollectible.

(b) This account may include, in lieu of the amounts of direct charges prescribed in paragraph (a) of this section, monthly charges based upon estimates to make provision for uncollectible revenues due from customers and agents. Such amounts shall be credited to account 1765, "Allowance for uncollectible receivables." There shall be recorded full details as to the methods used and the facts considered in estimating the amounts so credited.

(c) This account shall include, in a separate subdivision thereof, credits arising from charges to accounts 2115 "Customers' deposits," and 2155, "Advance billings," that may lawfully be written off as unrefundable because of failure to locate the rightful owner or for some similar reason.

Note: Uncollectible receivables, other than from customers and agents, shall be charged to account 5299, "Other deductions from ordinary income," account 6299, "Other extraordinary income charges," or other appropriate account.

§ 34.4940 Rent for lease of operated plant.

(a) This account shall be charged with the amounts of rents payable for the exclusive possession of operated plant comprising substantially complete operating systems or operating units.

(b) This account shall be credited with the amounts of taxes, depreciation, amortization, and other expenses initially accounted for by the lessor on operated plant the rent for which is chargeable to this account. (See particularly § 34.30-3.)

(c) The records supporting the entries in this account shall be so maintained as to show separately the following items for each station:

(1) Rents.

(2) Items initially accounted for by the lessor:

(i) Taxes.

(ii) Depreciation.

(iii) Amortization.

(iv) Other expenses.

Note A: Rent for lease of ducts, conduit, land, pole lines, circuits, conductors, transmitting and receiving equipment, and similar facilities comprising a part only of a system or unit shall be charged to account 4245, "Rent for other facilities."

Note B: Rent for lease of an office or a building shall be charged to account 4243, "Rent for operating offices," account 4450, "Rent for offices," or account 4455, "Other rents," as appropriate.

§ 34.4945 Telephone, wire-telegraph, and ocean-cable operating revenue deductions.

This account shall include the amounts of operating expenses, depreciation, amortization, taxes, uncollectible revenues, and rents incidental to the carrier's telephone, wire-telegraph and ocean-cable operations. (See also § 34.03-8.)

§ 34.4950 Revenue-contract payments.

This account shall include amounts (authorized or directed by this Commission to be included in operating revenue deductions) that represent payments to common carriers or other persons under the terms of contracts or agreements which provide that such common carriers or other persons shall receive amounts measured by the revenue or traffic of the accounting carrier, although such persons do not participate in the revenue service or transmission of such traffic. (See also § 34.31-3.)

§ 34.4999 Other operating revenue deductions.

This account shall include losses on the sale of plant or the transfer of plant to nonregulated operations and other operating deductions that are not includible elsewhere. (See § 34.1-6.)

[48 FR 45085, Sept. 30, 1983]

Other Communication Income

§ 34.5010 Income from operated plant leased to others.

(a) This account shall be credited with the amounts of rentals received from operated plant comprising substantially complete operating systems or operating units leased to others where the lessee has exclusive possession.

(b) This account shall be charged with the amounts of taxes, depreciation, amortization, and other expenses initially accounted for by the lessor on operated plant the rental from which is creditable to this account. (See particularly § 34.30-3.)

(c) The records supporting the entries in this account shall be so maintained as to show separately the following items for each station:

(1) Rentals.

(2) Items initially accounted for by the lessor:

(i) Taxes.

(ii) Depreciation.

(iii) Amortization.

(iv) Other expenses.

(3) Uncollectible rentals.

§ 34.5015 Income from telephone, wire-telegraph, and ocean-cable plant leased to others.

This account shall be credited with the amounts of rentals received from telephone, wire-telegraph, and ocean-cable plant comprising complete operating systems or operating units leased to others where the lessee has exclusive possession.

§ 34.5020 Profit from general services, licenses, and royalties.

(a) This account shall include the amounts of profits realized from services rendered others under a license agreement, a general service contract, or other arrangements providing for the furnishing of general accounting, engineering, financial, legal, patent, and other general services. (See also § 34.41-4 and § 34.4420.)

(b) Minor amounts of profits from such arrangements may be included in account 4420, "General services, licenses, and royalties—Cr."

§ 34.5089 Income from foreign operations.

(a) This account may include the net amount of income of the carrier when the detailed amounts are required to be stated in terms of foreign currency or in a manner at variance with the requirements of this system of accounts.

(b) A separate subaccount with appropriate title shall be maintained for the amount of such income from each foreign country.

(c) The records supporting the entries in this account shall be so maintained that, in the reports to this Commission, a complete analysis of the transactions affecting each station may be shown.

(d) Each carrier that elects to use this account shall advise this Commission of the fact at least 60 days before the effective date of this system of accounts. Changes from this elective procedure to the alternative procedure prescribed for domestic income, or vice versa, shall not be made thereafter without submitting to this Commission for its consideration and approval notice of the change at least 90 days before the proposed effective date of such change.

§ 34.5099 Other communication income.

This account shall include the amount of communication income not provided for elsewhere.

Ordinary Income; Noncommunication

§ 34.5111 Income from nonregulated investments.

(a) This account shall include the earnings or losses from nonregulated activities, both ordinary and extraordinary.

(b) All revenues earned and expenses (including taxes) incurred in nonregulated operations shall be recorded on separate books of account for such operations. Only the net of the total revenues and total expenses shall be recorded in this account, with an appropriate offsetting entry in account 1624, "Nonregulated investments."

[48 FR 45085, Sept. 30, 1983]

§ 34.5120 Dividend income.

This account shall include the amounts of income received from dividends declared on stocks of other persons other than dividends received on securities includible in accounts 1630 to 1659, inclusive.

NOTE A: Dividends on nominally issued and nominally outstanding capital stock shall not be included in these accounts.

NOTE B: No amounts shall be entered in these accounts representing value assigned to stock dividends received by the carrier on stocks of other persons. The proceeds realized from subsequent sale or disposal of the stock received as a dividend, or of the stock with respect to which the dividend was paid, shall be appropriately accounted for, proper credit being given to the investment account for the portion of the book cost assignable to the shares sold or disposed of. Any profits or loss resulting from the transaction shall be credited to account 6199, "Other extraordinary income credits," or charged to account 6299, "Other extraordinary income charges," as appropriate.

§ 34.5125 Interest income.

(a) This account shall include the amounts of interest income on investments in securities of other persons other than interest on securities includible in accounts 1630 to 1659, inclusive. It shall include interest income on investment advances and on other loans, notes, special deposits, and other interest-bearing assets. (See also § 34.10-7.)

(b) This account shall be subdivided as follows:

5125:01 Interest income on securities.
5125:02 Interest income on investment advances.
5125:99 Other interest income.

Note A: Interest on nominally issued and nominally outstanding long-term debt shall not be included in these accounts.

Note B: Interest that has accrued shall not be credited to this account unless its payment is reasonably assured.

§ 34.5135 Income from debt-redemption and other funds.

(a) This account shall include the amounts of income (whether interest or dividends) accrued on cash, securities issued by other persons, or other assets held in accounts 1630 to 1659, inclusive. (See particularly §§ 34.10-7 and 34.30-2.)

(b) Expenses, losses, and fees payable by the carrier from such funds or income therefrom, and incurred in connection with the operation of the fund, shall be charged to this account.

(c) The records supporting the entries in this account shall be so maintained as to show separately the income from each fund.

§ 34.5140 Gain or loss on foreign currency exchange.

This account shall be credited or charged, as appropriate, and to the extent outlined in § 34.03-16, with the amounts of gains or losses resulting from transactions involving foreign currency.

§ 34.5199 Other noncommunication income.

This account shall include the amount of noncommunication income not provided for elsewhere.

Deductions From Ordinary Income

§ 34.5210 Interest on long-term debt.

(a) This account shall include the amounts of interest accrued on outstanding long-term debt issued or assumed by the carrier, the liability for which is included in account 2010, "Bonds actually issued," account 2025, "Receivers' and trustees' securities, and account 2099, "Other long-term debt."

(b) The records supporting the entries in this account shall be so maintained as to show the interest accrual on each issue or series of long-term debt.

Note: Interest on nominally issued an nominally outstanding long-term debt sha not be included in these accounts.

§ 34.5215 Interest on indebtedness to affiliates.

(a) This account shall include th amounts of interest accrued on indebtedness to affiliates included in accounts such as account 2030, "Advances from affiliates," and accoun 2129, "Other payables to affiliates."

(b) The records supporting the entries in this account shall be so maintained as to show to whom the interes is payable, the nature and amount o the principal obligation, and the rat of interest, under the following subdivisions:

5215:01 Interest on advances.
5215:02 Interest on open accounts.

§ 34.5220 Amortization of debt discount.

(a) This account shall include fo each accounting period the portion of unamortized debt discount on outstanding long-term debt that is applicable to the period. Such amounts shall be determined in accordanc with § 34.10-14.

(b) Amounts charged to this accoun shall be credited to account 1930, "Unamortized discount on debt."

§ 34.5225 Interest charged to construction—Cr.

This account shall be credited with amounts charged to account 1300, "Plant under construction," as provided in paragraph (c)(8) of § 34.1-3.

§ 34.5230 Amortization of debt premium—Cr.

(a) This account shall include fo each accounting period the portion of unamortized premium on outstanding long-term debt that is applicable to the period. Such amounts shall be determined in accordance with § 34.10-14.

(b) Amounts credited to this account shall be charged to account 2310, "Unamortized premium on debt."

§ 34.5235 Other interest charges.

(a) This account shall include the amount of interest charges not provided for elsewhere. Among the items of indebtedness the interest on which is chargeable to this account are (1) past-due assessments for public improvements, (2) claims and judgments, (3) customers' deposits, (4) notes payable on demand or maturing less than 1 year from date of issuance, except notes payable to affiliates, (5) open accounts, except with affiliates, and (6) past-due tax assessments.

(b) The records supporting the entries in this account shall be so maintained as to show to whom the interest is payable, the nature and amount of the principal obligation, and the rate of interest.

§ 34.5240 Taxes assumed on interest.

This account shall include amounts paid to holders of bonds (or other evidences of indebtedness of the carrier), and amounts paid to governmental agencies in their behalf, with respect to income and other taxes levied against the income from such debt or levied as a tax on ownership of the debt, when such taxes are assumed by the carrier.

§ 34.5245 Amortization of debt expense.

(a) This account shall include for each accounting period the portion of unamortized debt expense on outstanding long-term debt that is applicable to the period. Such amounts shall be determined in accordance with § 34.10-14.

(b) Amounts charged to this account shall be credited to account 1920, "Long-term debt expense."

NOTE: The carrier may accelerate the writing off of debt expense by charges to account 6299, "Other extraordinary income charges."

§ 34.5250 Miscellaneous taxes.

(a) This account shall include the amounts for taxes not provided for elsewhere.

(b) Amounts charged to this account prior to payment shall be credited to account 2175, "Tax accruals."

[28 FR 13102, Dec. 5, 1963, as amended at 48 FR 45085, Sept. 30, 1983]

§ 34.5255 Amortization of plant acquisition adjustments.

(a) This account shall be charged or credited, as the case may be, with such amounts as this Commission may authorize or direct to be included in deductions from ordinary income under a plan to amortize amounts in account 1510, "Plant acquisition adjustments."

(b) Amounts recorded in this account shall be credited or charged, as the case may be, to account 1520, "Allowance for amortization; radiotelegraph plant."

§ 34.5260 Revenue-contract payments.

This account shall include amounts (authorized or directed by this Commission to be included in deductions from ordinary income) that represent payments to common carriers or other persons under the terms of contracts or agreements which provide that such common carriers or other persons shall receive amounts measured by the revenue or traffic of the accounting carrier, although such persons do not participate in the revenue service or transmission of such traffic. (See also § 34.31-3.)

§ 34.5299 Other deductions from ordinary income.

This account shall include deductions from ordinary income not provided for elsewhere. Among the items that shall be charged hereto are contributions for charitable, social, or community-welfare purposes and membership fees and dues in associations other than those of the carrier itself in associations of communication carriers and of employees in professional organizations; also amounts of depreciation and amortization on radiotelegraph plant other than operated plant. (See also § 34.03-7.)

Extraordinary Income; Credits

§ 34.6110 Delayed income credits.

This account shall include the amount of extraordinary and nonrecurring delayed items, as provided in § 34.03-13.

§ 34.6199 Other extraordinary income credits.

This account shall include the amount of extraordinary income credits not provided for elsewhere.

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(See § 34.03-12)

Forfeitures of amounts deposited with the carrier under options for the sale or lease of property.

Profits derived from the sale of reacquired securities other than capital stock.

Profits derived from the sale of securities of other persons.

Unclaimed customers' deposits.

Unclaimed wages and dividends written off.

[28 FR 13102, Dec. 5, 1963, as amended at 48 FR 45086, Sept. 30, 1983]

Extraordinary Income; Charges

§ 34.6210 Delayed income charges.

This account shall include the amount of extraordinary and nonrecurring delayed items, as provided in § 34.03-13.

§ 34.6299 Other extraordinary income charges.

This account shall include the amount of extraordinary income charges that are not includible in account 6210, "Delayed income charges."

ITEMS

(See § 34.03-12)

Amounts charged to corporate income to provide for the extinguishment of amounts includible in account 81, "Organization."

Amounts charged to income in recognition of decline in value of current assets and securities owned. (See also §§ 34.10-2 and 34.10-7.)

Capital stock expense written off. (See also paragraph (e) of § 34.10-13.)

Forfeitures of amounts deposited by the carrier under options for the purchase or lease of property.

Inventory, appraisal, and other costs incident to the acquisition, sale, or lease of property when the projects are abandoned.

Long-term debt expense written off. (See also paragraph (e) of § 34.10-14.)

Losses of funds due to bank failures.

Losses resulting from the sale of reacquired securities other than capital stock.

Losses resulting from the sale of securities of other persons.

Penalties and fines paid on account of violations of statutes pertaining to regulation.

[28 FR 13102, Dec. 5, 1963, as amended at 48 FR 45086, Sept. 30, 1983]

Deductions From Net Income

§ 34.7009 Investment credits; net.

(a) This account shall be charged and account 2399, "Other deferred credits," shall be credited with investment credits realized under the Internal Revenue Code when the carrier has elected to follow a plan of accounting which calls for realized investment credits to be taken into income in proportionate parts determined with reference to the average useful life of the property with respect to which the credits were allowed.

(b) This account shall be credited and account 2399 shall be charged with the amortization of each year's investment credits included in account 2399. Such amortization shall be determined with reference to the average useful life of the property with respect to which the investment credits were allowed.

(c) In lieu of crediting account 2399 under paragraph (a) of this section, account 5099, "Other communication income," may be credited.

[29 FR 6013, May 7, 1964]

§ 34.7010 Taxes on net income.

(a) This account shall include the amount of national, State, and local government taxes on taxable net income including additional assessments of such taxes.

(b) The records supporting the entries in this account shall be so maintained as to show the amounts included herein with respect to each taxing authority.

§ 34.7099 Other deductions from net income.

This account shall include the amount of deductions from net income not provided for elsewhere.

EARNED SURPLUS ACCOUNTS

Earned Surplus; Credits

§ 34.8110 Balance transferred from income accounts.

This account shall include the net balance transferred from the income accounts for the current year. (See particularly § 34.30-4.)

§ 34.8199 Miscellaneous credits to earned surplus.

(a) This account shall include the amount of credits affecting earned surplus not provided for elsewhere. Among the items that shall be credited hereto are increments from the reacquisition and resale of the carrier's capital stock. (See also § 34.10-13.)

(b) The records supporting the entries in this account shall be so maintained that an analysis thereof may be shown in the reports to this Commission.

Earned Surplus; Charges

§ 34.8299 Miscellaneous charges to earned surplus.

(a) This account shall include the amount of charges affecting earned surplus not provided for elsewhere. Among the items that shall be charged hereto are discount on capital stock written off and losses from the reacquisition and resale of the carrier's capital stock. (See also §§ 34.10-13 and 34.2415.)

(b) The records supporting the entries in this account shall be so maintained that an analysis thereof may be shown in the reports to this Commission.

§ 34.8310 Contractual appropriations of earned surplus.

(a) This account shall include the amount of earned surplus reserved in accordance with the terms of mortgages, deeds of trust, orders of courts, contracts, or other agreements.

(b) Amounts charged to this account shall be credited to account 2610, "Contractual reserves."

§ 34.8315 Earned surplus employed in reacquisition of capital stock.

(a) This account shall be charged and account 2615, "Reserve against impairment of stated capital," shall be credited with the book amount of capital stock reacquired by the carrier and not retired.

(b) Upon resale or retirement of capital stock, this account shall be credited and account 2615, "Reserve against impairment of stated capital," shall be charged with the amounts included herein applicable to such stock.

§ 34.8320 Miscellaneous appropriations of earned surplus.

(a) This account shall include the amount of reservations of earned surplus not provided for elsewhere.

(b) Amounts charged to this account shall be credited to account 2620, "Miscellaneous reserves."

§ 34.8399 Dividend appropriations of earned surplus.

(a) This account shall include the amount of earned surplus appropriated for dividends on the actually outstanding capital stock of the carrier.

(b) The records supporting the entries in this account shall be so maintained as to show the amount of dividends declared on each class of capital stock. If dividends are not payable in cash, the medium of payment shall be described with sufficient particularity to identify it.

OPERATING REVENUE ACCOUNTS

INSTRUCTIONS

§ 34.31-1 Purpose of operating revenue accounts.

The operating revenue accounts are designed to show the carrier's portion of amounts received or receivable for the furnishing of radiotelegraph service (See also §§ 34.03-8 and 34.03-17.)

§ 34.31-2 Basis of credits to operating revenue accounts.

(a) Credits to the operating revenue accounts shall be based upon the actual amounts chargeable for services rendered by the carrier.

Note A: Corrections of overcharges, overcollections, and collections on behalf of others previously credited to the operating revenue accounts shall be charged to the account or accounts previously credited.

Note B: Authorized refunds and adjustments on account of failures in service shall be charged to account 4230, "Traffic damages."

(b) The appropriate operating revenue accounts shall be credited with:

(1) Amounts charged for installations, for restoration and termination of service, for inside and outside moves, for instrument changes, and for similar service requirements.

(2) Amounts of initial nonrecurring charges for special or auxiliary plant or equipment furnished in rendering service to a customer, except that charges for the cost of such plant or equipment the ownership of which rests with or will revert to the customer shall be credited to the accounts charged with the cost of such plant or equipment.

(3) Amounts of initial nonrecurring charges for installation of special or auxiliary plant or equipment furnished by a customer.

(4) Amounts of service charges for supplemental or auxiliary equipment furnished in rendering service to a customer.

(5) Amounts collected from users as costs of delivery beyond the free delivery zones adjacent to terminals of the carrier. (See also note C under § 34.31-3.)

(c) A separate subaccount shall be maintained for revenue derived from each circuit used in foreign transmission. (For the purpose of compliance with this instruction, all stations in a single foreign country may be viewed as a single terminus of any particular circuits affording transmission with that country.)

(d) Credits to the operating-revenue accounts shall be made when the amounts are received or when they become receivable, whichever date is the earlier: *Provided, however,* That amounts exceeding $100 charged to a customer for each separate installation and like amounts classifiable under paragraph (b)(2) of this section shall be credited initially to account 2399, "Other deferred credits," and distributed to appropriate operating-revenue accounts in equal monthly amounts over the estimated life in place of the related plant.

§ 34.31-3 Divisions of operating revenues.

(a) An account shall be maintained with each communication carrier with which traffic settlements are made (separately from the accounts maintained for other transactions with such carriers) and there shall be included in each such account both the amounts of revenues receivable from such carriers for the accounting carrier's participation and the amounts payable to such carriers for participation by others in such transmission. In stating the balance sheet the total of the debit balances remaining in such accounts shall be reported in accounts 1742, "Traffic settlements receivable from affiliates," and 1752, "Traffic settlements receivable," as appropriate, and the total of the credit balances remaining in such accounts shall be reported in accounts 2122, "Traffic settlements payable to affiliates," and 2132, "Traffic settlements payable," as appropriate.

(b) Amounts representing the carrier's portion of revenues receivable from other carriers for participation in the transmission of communication shall be credited to the appropriate revenue accounts and charged to the account maintained in accordance with paragraph (a) of this section.

(c) Amounts payable for participation by others in the transmission of communication shall be excluded from (or if previously credited thereto—charged to the revenue accounts and credited to the account maintained in accordance with paragraph (a) of this section.

Note A: Commissions paid to transportation companies, hotels, service stations, or any person other than employees of the carrier for services rendered in originating and terminating messages or for other commercial communication services shall be charged to account 4270, "Commissions-

Dr." Commissions paid to employees in lieu of or in addition to salaries or other compensation for similar services rendered shall be charged to the operating expense account appropriate for the salaries of such employees.

NOTE B: Commissions received by the carrier for services rendered in originating or terminating messages or for other commercial communication services shall be credited to account 4275, "Commissions—Cr."

NOTE C: Amounts (other than those representing commissions or participation in transmission) payable to common carriers or other persons under the terms of contracts or agreements which provide that such common carriers or other persons shall receive amounts measured by revenues or traffic of the accounting carrier shall be charged to account 4950, "Revenue-contract payments," or account 5260, "Revenue-contract payments," as appropriate. Amounts payable for services performed for the carrier, such as tolls or rental charges, including those collected from users as costs of delivery beyond the free delivery zones adjacent to the terminals of the carrier shall be charged to the appropriate operating expense accounts.

§ 34.31-4 Services furnished without direct charge.

(a) Amounts representing radiotelegraph services furnished to a national government, a State, or political subdivision thereof without direct compensation, in accordance with franchise requirements, shall be charged to account 4460, "Franchise requirements—Dr.," and credited to account 4465, "Franchise requirements—Cr."

(b) Records shall be maintained to show amounts representing any other radiotelegraph services carried on especially for the needs of a specific service of general interest and not open to public correspondence and for which no direct compensation is received.

§ 34.31-99 Contemplated form of operating revenue statement.

(See § 34.03-9.)

Account No. (a)	Particulars (b)	Amount of revenue for the year (c)
	Domestic message revenue	
3110	Public message revenue	$
3116	Government message revenue	
3125	Press message revenue	
3160	Domestic transmission of transoceanic and marine messages	
3199	Other message revenue	
	Total	
	Transoceanic message revenue	
3210	Public message revenue	
3216	Government message revenue	
3225	Press message revenue	
3230	Other commuted-rate message revenue	
3299	Other message revenue	
	Total	
	Marine message revenue	
3310	Public message revenue	
3316	Government message revenue	
3325	Press message revenue	
3330	Other commuted-rate message revenue	
3370	Ship station revenue	
3399	Other message revenue	
	Total	
	Other transmission revenue	
3705	Scheduled transmission service revenue	
3725	Broadcast-program service revenue	
3735	News (CND) service revenue	
3745	Facsimile or photogram service revenue	
3755	Telephone service revenue	
3799	Miscellaneous transmission service revenue	
	Total	
	Total transmission revenue	
	Nontransmission revenue	
3805	Revenue from furnishing and servicing stations	
3810	Leased-circuit revenue	
3820	Other leased-plant revenue	
3825	Money-order fees	
3899	Miscellaneous nontransmission revenue	
	Total	
	Other telecommunication revenue	
3910	Telephone revenue; telephone systems	
3928	Wire-telegraph and ocean-cable revenue; wire systems	
	Total operating revenue	

PRESCRIBED ACCOUNTS

NOTE: Number to the right of the decimal point is the account number.

Domestic Message Revenue

§ 34.3100 Domestic message revenue.

(a) This account, when maintained under the option provided in paragraph (a) of § 34.03-5, shall include the carrier's portion of revenue from the transmission of messages between points in the continental United States, Alaska, Canada, Saint Pierre-Miquelon, and Mexico.

(b) When maintained, this account shall include, also, the carrier's portion of revenue from the transmission of transoceanic and marine messages in so far as such transmission is performed within the area comprising the continental United States, Alaska, Canada, Saint Pierre-Miquelon, and Mexico. (See particularly § 34.3160.)

(c) This account shall be cleared on a monthly basis prior to entries herein for any succeeding month.

§ 34.3110 Public message revenue.

This account shall include the carrier's portion of revenue from the transmission within the continental United States, Alaska, Canada, Saint Pierre-Miquelon, and Mexico, of messages at effective rates available to the general public.

§ 34.3116 Government message revenue.

This account shall include the carrier's portion of revenue from the transmission within the continental United States, Alaska, Canada, Saint Pierre-Miquelon, and Mexico, of government messages.

§ 34.3125 Press message revenue.

This account shall include the carrier's portion of revenue from the transmission within the continental United States, Alaska, Canada, Saint Pierre-Miquelon, and Mexico, of messages at effective rates available to organizations engaged in publication of the substance of such messages.

§ 34.3160 Domestic transmission of transoceanic and marine messages.

This account shall include the carrier's portion of revenue from the transmission of (a) transoceanic messages between gateway points and points within the continental United States, Alaska, Canada, Saint Pierre-Miquelon, and Mexico, and (b) marine messages between land stations and points within the continental United States, Alaska, Canada, Saint Pierre-Miquelon, and Mexico.

§ 34.3199 Other message revenue.

This account shall include the carrier's portion of revenue from the transmission within the continental United States, Alaska, Canada, Saint Pierre-Miquelon, and Mexico, of messages at effective rates available to persons or organizations other than those provided for in §§ 34.3110 to 34.3160 inclusive.

Transoceanic Message Revenue

§ 34.3200 Transoceanic message revenue.

(a) This account, when maintained under the option provided in § 34.03-5(a), shall include the carrier's portion of revenue from the transmission of messages (other than marine messages) between points outside the area comprising the continental United States, Alaska, Canada, Saint Pierre-Miquelon, and Mexico, and between such points and points designated as gateway points in the continental United States. (See § 34.3160.)

(b) This account shall be cleared on a monthly basis prior to entries herein for any succeeding month.

§ 34.3210 Public message revenue.

This account shall include the carrier's portion of revenue from the transmission between gateway points and points outside the continental United States, Alaska, Canada, Saint Pierre-Miquelon, and Mexico, of messages (other than marine messages) at effective rates available to the general public.

§ 34.3216 Government message revenue.

This account shall include the carrier's portion of revenue from the transmission between gateway points and points outside the continental United States, Alaska, Canada, Saint Pierre-Miquelon, and Mexico, of government messages (other than marine messages).

§ 34.3225 Press message revenue.

This account shall include the carrier's portion of revenue from the transmission between gateway points and points outside the continental United States, Alaska, Canada, Saint Pierre-Miquelon, and Mexico, of messages (other than marine messages) at effective rates available to organizations engaged in publication of the substance of such messages. (See particularly § 34.3705; see also § 34.3735.)

§ 34.3230 Other commuted-rate message revenue.

This account shall include the carrier's portion of revenue from the transmission between gateway points and points outside the continental United States, Alaska, Canada, Saint Pierre-Miquelon, and Mexico, of messages (other than marine messages) at effective rates available to persons or organizations other than those provided for in §§ 34.3210 to 34.3225.

§ 34.3299 Other message revenue.

This account shall include, in a separate subdivision hereof, the carrier's portion of revenue from the transmission of messages (other than marine messages) between points outside the continental United States, Alaska, Canada, Saint Pierre-Miquelon, and Mexico (i.e., messages that do not originate or terminate at, or transit through points within such area).

Marine Message Revenue

§ 34.3300 Marine message revenue.

(a) This account, when maintained under the option provided in paragraph (a) of § 34.03-5, shall include the carrier's portion of revenue from the transmission of messages between ship stations and land stations, including the revenue applicable to the land station. (See § 34.3160.)

(b) This account shall be cleared on a monthly basis prior to entries herein for any succeeding month.

§ 34.3310 Public message revenue.

This account shall include the carrier's portion of revenue from the land station transmission of messages at effective rates available to the general public.

§ 34.3316 Government message revenue.

This account shall include the carrier's portion of revenue from the land station transmission of government messages.

§ 34.3325 Press message revenue.

This account shall include the carrier's portion of revenue from the land station transmission of messages at effective rates available to organizations engaged in publication of the substance of such messages. (See particularly § 34.3705; see also § 34.3735.)

§ 34.3330 Other commuted-rate message revenue.

This account shall include the carrier's portion of revenue from the land station transmission of messages other than those provided for in §§ 34.3310 to 34.3325.

§ 34.3370 Ship station revenue.

This account shall include the carrier's portion of revenue from the ship station transmission of messages.

§ 34.3399 Other message revenue.

This account shall include the carrier's portion of revenue from the transmission of marine messages not provided for elsewhere.

Other Transmission Revenue

§ 34.3700 Other transmission revenue.

(a) This account, when maintained under the option provided in paragraph (a) of § 34.03-5, shall include the carrier's portion of revenue from transmission services other than filed messages.

(b) This account shall be cleared on a monthly basis prior to entries herein for any succeeding month.

§ 34.3705 Scheduled transmission service revenue.

This account shall include the carrier's portion of revenue from furnishing transmission facilities during specified periods, either with or without operators, to provide for direct communication by customers, for purposes other than broadcast-program or telephone transmission. (See also §§ 34.3725, 34.3755, and 34.3810.)

§ 34.3725 Broadcast-program service revenue.

This account shall include the carrier's portion of revenue from the furnishing of services or facilities utilized in (a) broadcast-program transmission and (b) activities incidentally associated therewith.

§ 34.3735 News (CND) service revenue.

This account shall include the carrier's portion of revenue from furnishing customers with reports of activities such as stock market transactions, sports events, etc., when such reports are prepared and disseminated by the carrier. This includes periodic charges for the facilities used in such dissemination such as tickers, projectors, etc.

§ 34.3745 Facsimile or photogram service revenue.

This account shall include the carrier's portion of revenue from the transmission of any matter involving the use of facsimile or other reproducing equipment.

§ 34.3755 Telephone service revenue.

This account shall include the carrier's portion of revenue from telephone operations when such operations involve the use of plant primarily devoted to radiotelegraph service. (See also §§ 34.03-8 and 34.3910.)

§ 34.3799 Miscellaneous transmission service revenue.

This account shall include the carrier's portion of revenue from transmission services not provided for elsewhere.

Nontransmission Revenue

§ 34.3800 Nontransmission revenue.

(a) This account, when maintained under the option provided in paragraph (a) of § 34.03-5, shall include the carrier's portion of revenue from communication operations other than transmission.

(b) This account shall be cleared on a monthly basis prior to entries herein for any succeeding month.

§ 34.3805 Revenue from furnishing and servicing stations.

(a) This account shall include the carrier's portion of periodic charges for equipment furnished radiotelegraph stations and revenue from installing, maintaining, inspecting, and servicing equipment, auditing and adjusting traffic accounts, and other similar services not connected with the transmission of messages or with merchandising, jobbing, or contract work rendered to radiotelegraph stations.

(b) This account shall be subdivided as follows:

3805:01	Fixed and land stations.
3805:02	Ship stations.
3805:03	Other mobile stations.

(c) The records supporting the entries in this account shall be so maintained as to show separately the amounts applicable to the following sources of revenue:

(1) Installation subsequent to initial installation.

(2) Servicing.

(3) Rentals.

(4) Clerical and administrative services.

(5) General service agreements not specifying the amounts applicable to the foregoing sources.

Note: Rental from plant comprising complete operating systems or operating units where the lessee has exclusive possession shall be included in account 5010, "Income from operated plant leased to others." (See also § 34.30-3.)

§ 34.3810 Leased-circuit revenue.

This account shall include the carrier's portion of revenue from the use by others of circuits, channels, wires, cables, and similar facilities for direct communication by customers, when the charge therefor is based on contractual rent agreements providing for definite periodic terms without regard to the extent of service obtained by the users of such facilities. (See also § 34.3705.)

Note A: Income from plant includible in account 1100, "Operated plant leased to others" (as distinguished from revenue includible in this account), shall be included in account 5010, "Income from operated plant leased to others."

NOTE B: When the charges for facilities furnished for direct communication by customers is based on the extent of services obtained by the users, such as telemeter service, the revenue shall be included in account 3705, "Scheduled transmission service revenue."

§ 34.3820 Other leased-plant revenue.

This account shall include the carrier's portion of revenue from the use by others of leased operated plant not provided for elsewhere. (See also §§ 34.30-3 and 34.3805.)

§ 34.3825 Money-order fees.

This account shall include the carrier's portion of revenue from charges for money-order service as distinguished from revenue messages incidental to such service.

NOTE: Revenue from money-order messages, as distinguished from the fees includible in this account, shall be included in the appropriate message-revenue account. (See §§ 34.3110 to 34.3399.)

§ 34.3899 Miscellaneous nontransmission revenue.

This account shall include profits from sale of plant or plant transferred to carrier's nonregulated operations and carrier's portion of other revenue from nontransmission services not provided for elsewhere, such as revenue from frequency measuring, code registration, and errand service. (See § 34.1-6.)

[48 FR 45086, Sept. 30, 1983]

Other Telecommunication Revenue

§ 34.3910 Telephone revenue; telephone systems.

This account shall include the carrier's revenue from the operation of telephone systems as provided in § 34.03-8. (See also § 34.3755.)

§ 34.3928 Wire-telegraph and ocean-cable revenue; wire systems.

This account shall include the carrier's revenue from the operation of wiretelegraph and ocean-cable systems as provided in § 34.03-8.

OPERATING EXPENSE ACCOUNTS

INSTRUCTIONS

§ 34.41-1 Purpose of operating expense accounts.

The operating expense accounts are designed to show the expenses of maintaining and operating radiotelegraph plant and the other expenses incurred in providing radiotelegraph service. (See also §§ 34.03-8 and 34.03-17.)

§ 34.41-2 Operating expenses applicable to leased plant.

Operating expenses applicable to leased plant shall be charged by the lessee to the appropriate operating expense accounts, as provided in paragraphs (c) and (d) of § 34.30-3.

§ 34.41-3 Direct allocation of operating expenses to stations and city offices.

The records supporting the entries in the operating expense accounts shall be so maintained as to show the amounts of expenses directly applicable to:

Each fixed station.
Each land station.
Each city office.
Ship stations (collectively).
Other mobile stations (collectively).

§ 34.41-4 Expenses of holding or servicing departments.

The records supporting such portions of the charges to each operating expense or other account as are incurred or recorded by departments performing holding company activities or furnishing services (other than radiotelegraph services performed at published tariff rates) to other carriers or affiliates under license agreements, general service contracts, or other arrangements providing for the furnishing of general accounting, engineering, financial, legal, patent, or other general services, shall be so maintained that the carrier can report separately the amount of charges included therein applicable to each such carrier or affiliate.

§ 34.41–5 Maintenance expenses.

(a) The cost of maintenance chargeable to the various operating expense accounts and to clearing accounts includes labor, materials, overhead, and other expenses incurred in maintenance work, such as:

(1) Inspecting, testing, and reporting on the condition of plant to determine the need for repairs, replacements, and rearrangements.

(2) Replacing minor items of operated plant, except when such items are replaced through the replacement of retirement units. (See also § 34.1-6.)

(3) Rearranging and changing the location of plant not retired.

(4) Repairing materials for reuse. (See also § 34.1795.)

(5) Restoring the condition of plant damaged by storm, flood, fire, accident, or other casualty. (See also § 34.2215.)

(6) Restoring the condition of plant damaged by wear and tear, decay, or action of the elements.

(7) Training employees for maintenance work. (See also § 34.4475.)

(8) Inspecting and testing after repairs have been made.

(9) Portion of local plant supervision attributable to maintenance.

(10) Cost of transportation, shop and store expenses, and use of tools and implements.

(11) Routine work to prevent service interruptions and to obtain the highest possible service efficiency from the operated plant performed by such employees as maintenance engineers, maintenance men, repair men, and their helpers, and by other employees whose duties include the full time or part time performance of analogous maintenance functions.

(b) The cost of maintenance does not include the cost of replacing items of plant designated as "retirement units." (See also § 34.1-6-1.)

(c) The records supporting the entries in these accounts shall be so maintained that in the reports to this Commission the maintenance expenses may be shown separately for (1) plant owned and operated by the carrier and (2) plant leased from others. When it is necessary to apportion the maintenance expenses between plant owned and used and plant leased, the carrier shall be prepared to describe the basis of such apportionment.

NOTE: Expenses incurred on account of property of others damaged in connection with maintenance work (except for the cost of incidentally repairing the property of others in the course of such work) shall be included in account 4430, "Injuries and damages."

§ 34.41–6 Conducting-operations expenses.

The expenses of conducting radiotelegraph operations shall be charged to the appropriate accounts during the month when such expenses are incurred. When it is impracticable to determine the amount of expenses applicable to a particular account, the amount shall be entered in an appropriate clearing account and the portion considered applicable to conducting operations shall be cleared as at the end of the month by transfer to the appropriate account. (See also § 34.03-17.)

§ 34.41–7 Accounting for electron tubes.

(a) When electron tubes are placed into service, the account that includes the cost of the plant with which the electron tubes are associated shall be charged with the cost of the tubes.

(b) When electron tubes are replaced, without retirement and replacement of any unit of plant of which such tubes form a part, the cost of the new tubes shall be charged to account 4132, "Electron-tube replacements," or account 4135, "Maintenance of mobile station equipment," as appropriate. Electron tubes shall be considered as minor items for retirement purposes. (See also § 34.03-15.)

(c) If electron tubes are repaired, the cost of such repairs shall be charged to account 4125, "Maintenance of fixed and land station transmission equipment," or account 4135, "Maintenance of mobile station equipment," as appropriate.

§ 34.41–8 Expenses of nonregulated operations.

(a) Operating expenses incurred by the carrier on behalf of its nonregulated operations and initially charged to prescribed operating expense accounts shall be transferred to nonregulated operations by debiting account 1625, "Nonregulated investments," and crediting the prescribed operating expense accounts. (See § 34.1625(b).)

(b) Operating expenses incurred by the nonregulated operations of a carrier on behalf of its regulated business and initially charged to the accounts of the nonregulated operation shall be transferred to regulated operations by debiting the prescribed operating expense accounts and crediting account 1625, "Nonregulated investments." (See § 34.1625(b).)

[48 FR 45086, Sept. 30, 1983]

§ 34.41-99 Contemplated form of operating expense statement.

(See § 34.03-9.)

Account No. (a)	Particulars (b)	Amount (c)
	Maintenance expenses	
4110	Supervision of maintenance	$
4115	Maintenance of real estate	
4120	Maintenance of fixed and land station aerial systems and lines	
4125	Maintenance of fixed and land station transmission equipment	
4126	Maintenance of ocean cable	
4130	Maintenance of furniture and office equipment	
4132	Electron-tube replacements	
4135	Maintenance of mobile station equipment	
4198	Maintenance-expense equalization	
4199	Other maintenance expenses	
	Total maintenance expenses	$
	Conducting-operations expenses	
4210	Supervision of operations	$
4215	Operators' wages	
4216	Wages of station attendants	
4222	Wages of operating-office clerks	
4225	Operating power	
4230	Traffic damages	
4235	Traffic-damage expense	
4240	Telephone service; message transmission	
4243	Rent for operating offices	
4245	Rent for other facilities	
4250	Advertising	
4255	Soliciting	
4260	Obtaining stock and commercial news	
4270	Commissions—Dr	
4275	Commissions—Cr (red)	
4281	Messengers' wages	
4283	Messengers' uniform expense	
4289	Other messenger service expense	
4290	Other employees' wages	
4295	Supplies; operating offices	
4299	Other conducting-operations expenses	
	Total conducting-operations expenses	$
	Administrative expenses	
4310	Salaries of general officers and executives	$
4315	Expenses of general officers and executives	
4320	Salaries of general office employees	
4325	Expenses of general office employees	
4399	Other administrative expenses	
	Total administrative expenses	$
	General expenses	
4410	Legal services	$
4415	General services, licenses, and royalties—Dr	
4420	General services, licenses and royalties—Cr (red)	
4425	Insurance	
4430	Injuries and damages	
4435	Relief and pensions	
4445	Rest and lunch room expenses	
4450	Rent for offices	
4455	Other rents	
4460	Franchise requirements—Dr	
4465	Franchise requirements—Cr (red)	
4470	Supplies	
4475	Training employees	
4480	House service	
4499	Other general expenses	
	Total general expenses	$
	Total operating expenses	[1] $

[1] Amount transferred to Account 4000, "Operating expenses."

[28 FR 13102, Dec. 5, 1963, as amended at 29 FR 12775, Sept. 10, 1964]

PRESCRIBED ACCOUNTS

NOTE: Number to the right of the decimal point is the account number.

Maintenance Expenses

§ 34.4110 Supervision of maintenance.

(a) This account shall include the salaries and the office and other expenses of officers, superintendents, engineers, architects, special consultants, and field supervisors engaged exclusively in supervising or directing maintenance work; also similar expenses of the office and field forces of such supervisory personnel, including assistants, clerks, stenographers, and other immediate subordinates.

(b) This account shall include the amounts of expenses applicable to maintenance that are transferred from the clearing accounts. (See also § 34.90-2.)

(c) This account shall be subdivided as follows:

4110:01 Salaries and wages.
4110:99 Other expenses.

ITEMS

(See § 34.03-12)

- Automobile service, including charges through clearing account 9015, "Vehicle expense; undistributed."
- Meals, including payments therefor on account of overtime work.
- Postage, printing, and stationery.
- Salaries and wages.
- Supplies.
- Travel expenses.

§ 34.4115 Maintenance of real estate.

(a) This account shall include the amount of expenses incurred in maintaining plant the cost of which is includible in the accounts provided for real estate (accounts 11 to 14, inclusive) and similar operated plant leased from others.

(b) This account shall be subdivided as follows:

4115:01 Salaries and wages.
4115:02 Materials and supplies.
4115:99 Other expenses.

ITEMS

(See particularly §§ 34.03-12 and 34.41-5)

Land

- Maintaining public improvements, including assessments covering such work.
- Maintaining soil conservation (anti-erosion) methods and devices.
- Minor improvements to land.
- Restoring the condition of land damaged in the course of repairs, replacements, additions, or betterments.
- Restoring the grade and similar repairs occasioned by floods and other action of the elements.

Land improvements

- Maintaining fences and retaining walls.
- Maintaining fountains, pools, and ponds.
- Maintaining hedges, shrubbery, and trees.
- Maintaining lawns, flower plots, and ornamental plants.
- Maintaining non-permanently surfaced paths, walks, or other passageways.
- Maintaining ornamental terraces and statuary.
- Maintaining roads and sidewalks.
- Maintaining tennis courts, outdoor swimming pools, or other recreational equipment on company owned (or maintained) grounds when primarily for the use of company employees.
- Maintaining yard lighting equipment.
- Maintaining yards and grounds.

Drainage, sewerage, gas, and water systems

- Flushing.
- Inspecting.
- Minor improvements and rearrangements.
- Repairing structures, machinery, pipe lines, reservoirs, and similar items.
- Restoring condition of drainage, sewerage, gas, and water systems damaged in the course of repairs, replacements, additions, or betterments.

Buildings

- Changing location of partitions. (See also notes D and E to this account.)
- Minor alterations to buildings and quarters. (See also note F to this account.)
- Repainting and repapering buildings, including redecorating interiors of buildings.
- Repairing building machinery, fixtures, appurtenances, and appliances, such as elevators, plumbing, and equipment for heating, lighting, and ventilating.
- Repairing rented buildings and quarters, except when the rented property is used in operations the expense of which is chargeable to other accounts. (See also § 34.1-5.)
- Replacing and repairing awnings, screens, window shades and ventilators, storm doors, storm windows, movable partitions, and similar movable minor items of buildings. (See also note E to this account.)
- Restoring condition of buildings damaged in the course of repairs, replacements, or additions. (See also note F to this account.)

NOTE A: The cost of initial improvements in the preparation for service of either leased or purchased land; land improvements; drainage, sewerage, gas, and water systems; and buildings shall be charged to the appropriate operated plant account, except when such improvements are of relatively minor cost or short life or the period of the lease is less than 1 year. (See also §§ 34.1-1, 34.1-2, and 34.1-5.)

NOTE B: [Reserved]

NOTE C: The cost of maintenance of land used for right of way shall be charged to account 4120, "Maintenance of fixed and land station aerial systems and lines."

NOTE D: Any substantial increase or decrease in partitions resulting from such changes therein shall be accounted for as additions or retirements, as appropriate.

NOTE E: When partitions of a movable type are replaced by partitions of a permanent type or vice versa, the costs involved shall be accounted for through the plant and depreciation allowance accounts.

NOTE F: The cost of minor building alterations incident to the installation of equipment, such as opening and closing holes in ceilings, partitions, walls, and floors to permit installation of equipment, power conduit and wiring, shall be charged to the account appropriate for the class of equipment installed.

[28 FR 13102, Dec. 5, 1963, as amended at 48 FR 45086, Sept. 30, 1983]

§ 34.4120 Maintenance of fixed and land station aerial systems and lines.

(a) This account shall include the amount of expenses incurred in maintaining (1) plant the cost of which is includible in accounts provided for fixed and land station aerial systems and lines (§§ 34.21 to 34.27, inclusive), (2) similar operated plant leased from others, and (3) the right of way therefor.

(b) This account shall be subdivided as follows:

ITEMS

4120:01	Salaries and wages.
4120:02	Materials and supplies.
4120:99	Other expenses.

(See particularly §§ 34.03-12 and 34.41-5)

Cutting out or cutting in slack in wires.
Moving plant in connection with road and street changes. (See also § 34.1-6.)
Painting and treating towers, masts, poles, foundations, markers, and similar items subsequent to their installation.
Repairs to tuning coil shelters and sleet-melting equipment.
Relocating poles.
Respacing poles and crossarms.
Right-of-way adjustments, cost of, when no additional rights are acquired.
Straightening poles and crossarms.
Tightening anchors, guys, and other appurtenances and raking guy poles.
Transferring wire in connection with replacement of towers, masts, and poles.
Trenching poles.
Trimming trees, cutting underbrush, and other work to maintain previous clearance of right of way.
Work on the property of others in connection with maintenance of aerial systems and lines.

§ 34.4125 Maintenance of fixed and land station transmission equipment.

(a) This account shall include the amount of expenses incurred in maintaining plant the cost of which is includible in the accounts provided for fixed and land station transmission equipment (§§ 34.31 to 34.41, inclusive) and similar operated plant leased from others.

(b) This account shall be subdivided as follows:

4125:01	Salaries and wages.
4125:02	Materials and supplies.
4125:99	Other expenses.

ITEMS

(See particularly §§ 34.03-12 and 34.41-5)

Adding acid and water to batteries and reading specific gravity, current drain, and voltage of batteries.
Calibrating thermocouples and other instruments.
Cleaning, lubricating, and adjusting the equipment.
Grinding used crystals for reuse.
Inspecting and testing after repairs have been made.
Refinishing and repairing used equipment for reuse.
Relocating and rearranging equipment.
Removing sediment from storage batteries.
Repairing and adjusting meters.
Repairing electron tubes.
Repairing storage batteries, including replacing of minor items.
Replacing fuses, indicating-lights, and cords.
Servicing message-conveyer equipment.
Tools and other individual items of equipment—items of small cost or short life, cost and repairs of.

§ 34.4126 Maintenance of ocean cable.

This account shall include the amount of expenses incurred in maintaining plant the cost of which is includible in account 37, "Ocean cable."

[29 FR 12775, Sept. 10, 1964]

§ 34.4130 Maintenance of furniture and office equipment.

(a) This account shall include the amount of expenses incurred in maintaining plant the cost of which is includible in account 51, "Furniture and office equipment," and similar operated plant leased from others.

(b) This account shall be subdivided as follows:

4130:01 Salaries and wages.
4130:02 Materials and supplies.
4130:99 Other expenses.

§ 34.4132 Electron-tube replacements.

This account shall include the amount of expenses incurred in replacing electron tubes, the initial cost of which is includible in the operated plant accounts provided for fixed and land station transmission equipment. (See also §§ 34.41-7 and 34.4135.)

§ 34.4135 Maintenance of mobile station equipment.

(a) This account shall include the amount of expenses incurred in maintaining plant the cost of which is includible in the accounts provided for mobile station equipment (§§ 34.61 to 34.69, inclusive) and similar operated plant leased from others.

(b) This account shall include also the amount of expenses incurred in replacing electron tubes, the initial cost of which is includible in the operated plant accounts provided for mobile station equipment. (See also § 34.41-7.)

(c) This account shall be subdivided as follows:

4135:01 Salaries and wages.
4135:02 Materials and supplies.
4135:99 Other expenses.

ITEMS

(See particularly §§ 34.03-12 and 34.41-5)

Lists given under accounts 4120 and 4125 with respect to comparable equipment are applicable to this account.

§ 34.4198 Maintenance-expense equalization.

(a) This account shall be charged with such amounts as this Commission may authorize or direct to be credited to account 2220, "Provisions for equalization of maintenance expenses," under a plan to equalize maintenance expenses.

(b) When maintenance work for which provision has been made in this account is performed, the cost of such work shall be charged to the appropriate maintenance accounts. Concurrently this account shall be credited and account 2220, "Provisions for equalization of maintenance expenses," shall be charged with an amount equal to the cost of such maintenance work.

§ 34.4199 Other maintenance expenses.

(a) This account shall include the amount of maintenance expenses not provided for elsewhere.

(b) This account shall be subdivided as follows:

4199:01 Salaries and wages.
4199:02 Materials and supplies.
4199:99 Other expenses.

Conducting-Operations Expenses

§ 34.4210 Supervision of operations.

This account shall include the salaries of officers, superintendents, engineers, special consultants, and field supervisors engaged exclusively in supervising or directing operations. (See also paragraph (b) of § 34.03-17.)

§ 34.4215 Operators' wages.

This account shall include the salaries and wages of operators (including printer operators) engaged in the transmission of messages; also commissions paid in lieu of or in addition to such salaries or wages.

NOTE: The amount of salaries and wages of traffic employees attending supplemental training or postgraduate operating schools shall be charged to account 4475, "Training employees."

§ 34.4216 Wages of station attendants.

This account shall include the salaries and wages of station attendants, whether designated as attendants, operators, engineers, or electricians, whose principal duties consist of watching and regulating the operation of transmission equipment.

§ 34.4222 Wages of operating-office clerks.

This account shall include the pay of bookkeepers, clerks, and attendants engaged in the receiving and delivering of messages at counters or telephones, quoting rates, collecting charges, keeping accounts, and performing other clerical duties in operating offices.

§ 34.4225 Operating power.

(a) This account shall include the cost of power for transmitting traffic and operating signals. It shall include the cost of electricity purchased, the cost of fuel and other supplies used, and the expenses incurred in the generation, conversion, and storage of current for operating the carrier's transmission equipment, battery-charging machines, and for other operating power requirements; also the salaries, wages, and expenses of engineers and other attendants and employees engaged in the generation, conversion, and storage of such current.

(b) This account shall be subdivided as follows:

4225:01 Power purchased.
4225:02 Power generated.

NOTE A: Payments for installation of permanent power circuits for emergency use shall be charged to the appropriate plant account.

NOTE B: The cost of power used for house service purposes shall be charged to account 9035, "House-service expense; undistributed," or other account, as appropriate.

§ 34.4230 Traffic damages.

(a) This account shall include the amount of obligations incurred in settlement of damages arising out of claims of delays and errors in service, including amounts of revenues refunded in partial or complete settlement of such claims.

(b) The records supporting the entries in this account shall be so maintained as to show the amounts of settlements made during the accounting period with respect to delayed-delivery, nondelivery, error, and other causes under the following subdivisions:

4230:01 Amounts with respect to messages.
4230:02 Amounts with respect to money transfers.

(c) There shall be classed as delayed-delivery claims those arising from delays in transmission or delivery; as nondelivery claims, those arising from failure to deliver; as error claims, those arising from error in transmission or delivery, except such as may be classified as delayed-delivery or nondelivery claims; and as other types of claims, those arising from causes not shown above, such as libel, fraud, and similar bases.

NOTE: Payments on account of injuries to persons or damage to property of others shall be charged to account 1300, "Plant under construction," or account 4430, "Injuries and damages," as appropriate.

§ 34.4235 Traffic-damage expense.

This account shall include the amount of expenses incurred in connection with closing claims for traffic damages, including court costs, the pay and expenses of witnesses, and the legal and other expenses or costs incurred in connection with investigating, defending, or settling traffic-damage claims.

§ 34.4240 Telephone service; message transmission.

This account shall include the amount of expenses incurred for telephone service used in the receiving, forwarding, or terminating of radiotelegraph messages. (See also paragraph (a) of §§ 34.03-17 and 34.4222.)

NOTE: Amounts of expenses relating to telephone service used primarily for other purposes shall be included in the expense account appropriate to the predominant use of such service (with the option of more detailed distribution).

§ 34.4243 Rent for operating offices.

This account shall include the amount of expenses incurred as rents for space used for operating offices. (See also paragraph (b)(1) of § 34.03-5 and §§ 34.4245, 34.4450 and 34.4940.)

§ 34.4245 Rent for other facilities.

This account shall include the amount of expenses incurred as rents for the use of facilities other than space or leased plant (comprising substantially complete operating systems or operating units held in exclusive possession by the lessee). It shall include rents for such equipment as ducts, conduit, lands, pole lines, circuits, conductors, and transmitting and receiving equipment. (See also §§ 34.4243, 34.4450, and 34.4940.)

§ 34.4250 Advertising.

This account shall include the amount of expenses incurred in connection with commercial advertising for promoting the further use of radiotelegraph service, such as the cost of newspaper advertisements, literature, and similar expenses.

ITEMS

(See § 34.03-12)

Announcements of rate changes. (See also note A to this account.)
Commercial advertisements in newspapers and magazines and on radio and television. (See also note A to this account.)
Commercial advertising matter, such as posters, bulletins, booklets, and related items. (See also note A to this account.)
Electric current consumed in illuminating sings.
Exhibits in connection with industrial expositions, expenses of.
Lecture and demonstration tours for traffic promotion purposes.
Managers and their office forces in charge of advertising, expenses of.
Radio and television programs.
Window displays.

NOTE A: The cost of newspaper advertisements, literature, and similar expenses other than for commercial advertising purposes, such as advertisements of stock and bond issues, advertising for employees, and notices of dividends declared, shall be charged to the accounts appropriate for such costs.

NOTE B: The cost of flags, bunting, and similar expenses of decorating buildings shall be charged to account 9035, "House-service expenses; undistributed."

[28 FR 13102, Dec. 5, 1963, as amended at 32 FR 2636, Feb. 8, 1967]

§ 34.4255 Soliciting.

(a) This account shall include the salaries, wages, and expenses of solicitors engaged in canvassing for business and interviewing customers for promoting the further use of radiotelegraph service, and shall include also expenses in connection with furnishing copies of tariffs and notices of changes to the public.

(b) This account shall be subdivided as follows:

4255:01 Salaries and wages of solicitors.
4255:99 Other expenses.

ITEMS

(See § 34.03-12)

Canvassers and solicitors, pay and expenses of.
Managers and their office forces in charge of solicitors, expenses of.
Public distribution of tariffs and notices of changes, expenses of.
Travel expenses.

§ 34.4260 Obtaining stock and commercial news.

This account shall include the amount of expenses incidental to the gathering of information relative to stock and other market quotations, transactions in securities, sporting news, election returns, marine reports, and similar items subsequently disseminated as stock and commercial news to subscribers.

§ 34.4270 Commissions—Dr.

(a) This account shall include the amount of commissions (including flat-rate payments per metropolitan zone for terminal messenger service) paid to communication carriers, transportation carriers, hotels, service stations, or other persons other than employees, for services rendered in originating and terminating radiotelegraph messages or for similar commercial communication services. (See also § 34.31-3.)

(b) This account shall be subdivided as follows:

4270:01 Commissions paid to communication carriers.
4270:02 Commissions paid to transportation carriers.
4270:03 Commissions paid to other types of public utilities.
4270:99 Commissions paid to others.

§ 34.4275 Commissions—Cr.

This account shall include the amount of commissions (including flat-rate charges per metropolitan zone for terminal messenger service) received from other carriers for services rendered in originating and terminating messages or for similar commercial communication services. (See also § 34.31-3.)

§ 34.4281 Messengers' wages.

This account shall include the wages of messengers and commissions paid to messengers in lieu of or in addition to wages. (See also § 34.4270.)

NOTE: The amount of salaries, wages, and expenses of employees attending supplemental training or postgraduate schools shall be charged to account 4475, "Training employees."

§ 34.4283 Messengers' uniform expense.

(a) This account shall include the cost of messenger uniforms purchased for use by the carrier in communication service.

(b) This account shall be charged with the amounts of expenses incurred in altering, repairing, cleaning, and pressing uniforms.

§ 34.4289 Other messenger service expense.

This account shall include the amount of expenses incurred in furnishing messenger service not provided for elsewhere.

ITEMS

(See § 34.03-12)

Automobile service, including charges through clearing account 9015, "Vehicle expense; undistributed."
Carfare.
Licenses for bicycles and other vehicles used in messenger service.
Meals, including payments therefor on account of overtime work.
Messengers, expenses of. (See also § 34.4283.)
Registration fees for vehicles used in messenger service.

§ 34.4290 Other employees' wages.

This account shall include the wages and the expense for subsistence furnished employees in lieu of wages of employees engaged in any phase of conducting operations not provided for elsewhere.

§ 34.4295 Supplies; operating offices.

This account shall include the cost of supplies used in conducting operations.

ITEMS

(See § 34.03-12)

Message blanks.
Postage, stationery, and printing.
Printer tape.

§ 34.4299 Other conducting-operations expenses.

This account shall include the expenses of operators, station attendants, and operating-office clerks whose wages and salaries are included in accounts 4215, 4216, and 4222, respectively, and the amount of other expenses incurred in conducting operations not provided for elsewhere.

Administrative Expenses

§ 34.4310 Salaries of general officers and executives.

This account shall include the compensation (salaries, bonuses, and other consideration for services) of officers and executives of the carrier, properly chargeable to radiotelegraph operations and not chargeable directly to a particular function. (See also § 34.03-17.)

NOTE: Fees and expenses of directors who are also officers or executives shall be charged to account 4499, "Other general expenses."

§ 34.4315 Expenses of general officers and executives.

This account shall include the expenses incurred for the benefit of the carrier in its radiotelegraph operations by officers and executives whose compensation is includible in account 4310, "Salaries of general officers and executives," and which are not chargeable directly to a particular function.

ITEMS

(See § 34.03-12)

Hotel expenses.
Meals, including payment therefor on account of overtime work.
Travel expenses.

§ 34.4320 Salaries of general office employees.

This account shall include the compensation (salaries, bonuses, and other consideration for services) of employees engaged in the general offices of the carrier properly chargeable to radiotelegraph operations and not chargeable directly to a particular function. (See also § 34.03-17.)

§ 34.4325 Expenses of general office employees.

This account shall include the expenses incurred for the benefit of the carrier in its radiotelegraph operations by general office employees whose compensation is includible in account 4320, "Salaries of general office employees," and which are not chargeable directly to a particular function.

ITEMS

(See § 34.03-12)

Hotel expenses.
Meals, including payment therefor on account of overtime work.
Travel expenses.

§ 34.4399 Other administrative expenses.

This account shall include the amount of expenses incurred in carrying out administrative functions not provided for elsewhere.

General Expenses

§ 34.4410 Legal services.

This account shall include amounts payable to persons, other than officers and employees of the carrier, for legal services and related expenses that are not chargeable to other operating expense accounts or to clearing or plant accounts.

NOTE: The pay and expenses of the legal staff of the carrier shall be included in account 4310, "Salaries of general officers and executives," account 4315, "Expenses of general officers and executives," account 4320, "Salaries of general office employees," or account 4325, "Expenses of general office employees," as appropriate.

§ 34.4415 General services, licenses, and royalties—Dr.

(a) This account shall include the amount of expenses incurred for services received under a licensing agreement, a general service contract, or other arrangement providing for the furnishing of general management, supervision, purchasing, accounting, engineering, financial, legal, patent, or other general services.

(b) The records supporting the entries in this account shall be so maintained as to show the respective amounts paid to each furnisher of the service with respect to each class of service furnished. If the costs incurred in the first instance by the person furnishing the service are apportioned to several recipients thereof, the records of the carrier served shall indicate the aggregate cost of the furnishing person and the method of apportionment to the recipient carrier.

§ 34.4420 General services, licenses, and royalties—Cr.

(a) This account shall be credited with amounts accruing (other than profits realized) from services rendered others under a license agreement, a general service contract, or other arrangement providing for the furnishing of general management, supervision, purchasing, accounting, engineering, financial, legal, patent, or other general services.

(b) Minor amounts of profits from such arrangements may be included in this account. (See also § 34.5020.)

NOTE: Revenue from the maintaining and servicing of station equipment shall be included in account 3805, "Revenue from furnishing and servicing stations."

§ 34.4425 Insurance.

(a) This account shall include the cost of insurance to protect the carrier against losses and damages to owned or leased property used in its radiotelegraph services. There shall be included in this account the amounts of premiums payable to insurance companies for other than reinsurance of self-carried insurance, and amounts credited to account 2215, "Provisions for self-carried insurance," for fire, storm, burglary, boiler explosion, lightning, and other insurance; special costs incurred in procuring insurance, such as insurance inspection service; and the pay, travel, and other expenses of officers, clerks, and other employees of an insurance department.

(b) Amounts received from insurance companies as insurance dividends or refunds of premiums shall be credited to this account.

(c) The records supporting the entries in this account shall be so maintained as to show the amount of coverage for each class of insurance carried, the property covered, and the applicable premiums.

(d) This account shall be subdivided as follows:

4425:01 Property insurance premiums.
4425:02 Other insurance premiums.
4425:03 Provisions for self-carried insurance.
4425:99 Other insurance costs.

NOTE A: Recoveries from insurance companies or others shall be accounted for as provided in account 2215, "Provisions for self-carried insurance."

NOTE B: Premiums on life insurance and annuities of officers and employees where the carrier is not the beneficiary shall be included in account 4435, "Relief and pensions."

§ 34.4430 Injuries and damages.

(a) This account shall include losses, not covered by insurance, on account of injuries to or deaths of employees or others, which occur in connection with radiotelegraph operations, and payments and expenses on account of damages to the property of others whether the loss be occasioned by fire, flood, storm, or other cause. This account may be charged monthly with amounts sufficient to meet the probable liability for such losses, concurrent credits being made to account 2215, "Provisions for self-carried insurance," in which case losses sustained shall be charged to that account.

(b) This account shall include (1) the pay and expenses of officers and employees regularly engaged in or specifically assigned to work in connection with injuries to employees or others and damages to property of others, (2) payments to attorneys, investigators, and adjusters, and (3) court costs and similar items, except such items as are provided for in the clearing accounts.

(c) Amounts in reimbursement of payments for injuries and damages charged to this account shall be credited hereto.

NOTE A: Payments to or on behalf of employees, including accident and death benefits, hospital expenses, and medical supplies; also salaries, fees, and expenses of surgeons, doctors, nurses, and similar payments or amounts provided for such payments through a plan for employees' benefits, shall be charged to account 4435, "Relief and pensions."

NOTE B: There shall not be included in this account the amounts of premiums for insurance of the lives of officers and employees or the cost of injuries and damages chargeable directly to the operated plant, clearing, or other accounts.

§ 34.4435 Relief and pensions.

(a) This account shall include pensions or other benefits paid to active and retired employees, their representatives or beneficiaries, and salaries and expenses incurred in conducting relief, benefit, and general medical departments. It shall include payments to or on behalf of employees on account of injuries or accidental death when such payments come within the scope of a carrier's general provision for employees' benefits.

(b) If the carrier has definitely undertaken by contract to pay pensions to employees when regularly retired for superannuation or disability and has established a fund to be held in trust for such pension purposes, the carrier shall charge to this account monthly amounts determined through the application of equitable actuarial factors to the current pay rolls, which together with interest accruals on the trust funds, will as nearly as may be, provide for the payment of such pensions or for the purchase of annuities corresponding thereto. There may be included in this account reasonable amounts to provide for pension costs based on service rendered prior to the period for which the accruals are made. Such amounts may be spread over a reasonable period of years if inclusion in the current year seriously distorts the expenses of that year. Amounts charged to this account under the provisions of this paragraph shall be concurrently credited to account 2210, "Provisions for employees' pensions and welfare." The amounts accrued in each year shall correspond to the aggregate of the amounts expended directly by the carrier for pensions or annuities during the year and amounts paid into the trust fund. The carrier shall maintain a complete record of the actuarial computations through which the accrual each month of its pension liabilities is established.

(c) There shall be segregated in a separate subaccount any charges representing interest on the unfunded actuarial liability for the purpose of arresting the growth of such liability or any charges designed to dispose of, in a lump sum amount or over a reasonable period of years, such unfunded actuarial liability.

(d) Before adopting the accrual plan of accounting for pensions the carrier shall inform this Commission of the details of its pension plan, giving full statement of the facts which in its judgment establish a contractual obligation for pension payments together with the actuarial formula under which it proposes to create its pension trust fund, and also a copy of the declaration of trust under which the fund is established. Each carrier that has adopted the accrual plan of accounting for pensions shall make no change in the accounting therefor or in the method of computing the amounts of the accruals recorded in the accounts under the plan without first submitting full particulars of the proposed changes and a detailed statement of the reasons therefor to this Commission for its consideration and approval.

(e) No charges to this account shall be made in anticipation of discretionary pension payments in the future.

(f) This account shall include also, under a separate subaccount, amounts accrued to provide for the payment of termination allowances or similar benefits to employees of the carrier when such employees are laid off because of lack of work, and to provide necessary and warranted relief to former employees. Charges to this subaccount shall be made only after approval by this Commission of the carrier's plan for administering payments for these purposes and of the amount of the accruals. Amounts charged to this subaccount shall be concurrently credited to account 2210, "Provisions for employees' pensions and welfare."

(g) There shall be credited to this account that portion of each class of relief and pensions assigned to construction and custom-work labor.

ITEMS

(See § 34.03-12)

Accident, sickness, death, and other disability benefits to employees, their representatives or beneficiaries.

Cost of providing workmen's compensation.

Employees of relief, benefit, and general medical departments, pay and expenses of.

Expenses in connection with employees' disability cases, such as hospital, nursing, and medical attendance.

Fees and retainers for medical and similar services incurred by relief, benefit, and general medical departments.

Medical supplies.

Office supplies.

Payments for supplementary or special pensions.

Postage, printing, and stationery.

Premiums paid for group insurance for the benefit of employees or their beneficiaries.

Repairs of furniture and equipment, and cost and repairs of individual items of small value or short life.

Travel expenses.

§ 34.4445 Rest and lunch room expenses.

(a) This account shall be charged with the amount of expenses incurred in operating rest and lunch rooms for employees, including the cost of meals provided. This includes the cost of operating such facilities as rest rooms, quiet rooms, reading rooms, medical rooms, locker rooms, check rooms, sleeping rooms, and dormitories.

(b) This account shall be credited with amounts paid to the carrier for meals and other services the expense of which is included in this account.

ITEMS

(See §§ 34.03-12 and 34.03-17)

Bedding.

Dishes.

Electric power for cooking, refrigeration, or operating kitchen equipment.

Food supplies.

Fuel for cooking.

Handling orders and bills for supplies.

Ice for refrigeration.

Laundry.

Linen.

Lunch room managers, cooks, cashiers, waiters, and other employees, pay and expenses of.

Medical supplies, including first-aid materials.

Newspapers, magazines, phonograph records, and radio-tube replacements.

Nurses, matrons, and attendants for employees' quarters, pay and expenses of.

Postage, printing, and stationery.

Silverware.

Uniforms.

§ 34.4450 Rent for offices.

This account shall include the amount of expenses incurred as rent for the use of space in buildings occupied by the carrier for general purposes. (See also paragraph (b)(1) of § 34.03-5, and §§ 34.4243, 34.4245 and 34.4940.)

§ 34.4455 Other rents.

This account shall include amounts payable for operating rents not provided for elsewhere.

§ 34.4460 Franchise requirements—Dr.

(a) This account shall include the cost, not provided for in account 82, "Franchises," of services, plant, material and supplies, and similar items furnished to governmental authorities in compliance with franchises, ordinances, or similar requirements and for which no direct compensation is received by the carrier. It shall include the cost of paving and of premiums on indemnity or similar bonds required under the general terms of a franchise or ordinance and not in connection with specific construction or maintenance work.

(b) This account shall include amounts paid for franchises running for 1 year or less after acquisition and may include direct charges for franchises acquired at small cost.

(c) There shall be charged to this account and credited to account 4465, "Franchise requirements—Cr.," an amount equal to the revenues that would be derived at published tariff rates from radiotelegraph services furnished to governmental agencies in compliance with franchises, ordinances, or similar requirements that require that services be furnished without direct compensation.

NOTE A: The cost of plant, supplies, and similar items given as an initial consideration for a franchise running for more than 1 year shall be charged to account 82, "Franchises."

NOTE B: Franchise taxes paid annually or more frequently shall be charged to account 4932, "Other taxes; operating."

NOTE C: The cost of operated plant furnished to a governmental agency without charge or used by the carrier in rendering services to a governmental agency without charge, shall be included in the appropriate plant accounts and the maintenance expenses incurred in connection with such operated plant shall be charged to the appropriate maintenance accounts.

NOTE D: The cost of constructing, or of changing the location of, operated plant to conform with governmental requirements, including such work required under the provisions of a franchise or ordinance, shall be charged to the maintenance-expense, operated plant, and allowance-for depreciation accounts appropriate for the work performed.

§ 34.4465 Franchise requirements—Cr.

This account shall be credited with amounts charged to account 4460, "Franchise requirements—Dr.," under the provisions of § 34.4460(c).

§ 34.4470 Supplies.

This account shall include the cost of supplies used in connection with the general functions of the carrier's radiotelegraph operations. (See § 34.4295 and paragraph (b)(1) of § 34.03-5.)

ITEMS

(See § 34.03-12)

Office supplies.
Postage, stationery, and printing.

§ 34.4475 Training employees.

This account shall include the amount of expenses incurred in the employment and training of employees of the carrier.

ITEMS

(See §§ 34.03-12 and 34.03-17)

Advertising for employees, cost of.
Employees attending supplemental training or postgraduate schools, pay and expenses of.
Instructors, messengers, supervisors, and others employed in training schools, pay and expenses of.
Personnel officers and employees engaged in interviewing applicants and hiring employees, pay and expenses of.
Supplies.

§ 34.4480 House service.

(a) This account shall include the amount of expenses incurred in the operation of offices and buildings (whether owned or rented) used in connection with the general functions of the carrier's radiotelegraph operations.

(b) This account shall include the amounts of house service expenses applicable to general functions that are transferred from account 9035, "House-service expense; undistributed." (See also paragraph (b) of § 34.03-5.)

§ 34.4499 Other general expenses.

This account shall include the amount of operating expenses not includible in other accounts.

ITEMS

(See § 34.03-12)

Commissions paid agents for leasing space to others in buildings partly occupied by the carrier in connection with its communication operations.
Conventions and meetings of the industry, contributions for.
Fees and expenses of directors.
Patents having an estimated service life of 1 year or less and patents acquired at small cost, amounts paid for.
Research and development work, not includible in other accounts, cost of. (See also § 34.03-10.)

CLEARING ACCOUNTS

INSTRUCTIONS

§ 34.90-1 Purpose of clearing accounts.

The clearing accounts are provided as a medium for the distribution of certain amounts which affect more than one account.

§ 34.90-2 Disposition of balances in clearing accounts.

(a) The balances in the clearing accounts shall be distributed to the appropriate supervision or other accounts not later than the close of the calendar year unless amounts included therein appropriately affect the accounting for future periods.

(b) Undistributed balances (other than the balance in account 9030, "Supply expense; undistributed") shall be included in the balance sheet under account 1940, "Debit balances in clearing accounts," or account 2320, "Credit balances in clearing accounts," as appropriate.

(c) The carrier's records shall be so maintained that an analysis of undistributed items in clearing accounts at the close of the calendar year may be shown in the reports to this Commission.

PRESCRIBED ACCOUNTS

NOTE: Number to the right of the decimal point is the account number.

§ 34.9010 Research and development; undistributed.

(a) This account shall be charged with the costs incurred in maintaining laboratories and experimental stations for the development of equipment, the costs of research conducted for the purpose of improving operations, and other analogous items. (See also § 34.03-10.)

(b) This account shall be cleared by charging the appropriate accounts with the applicable amounts contained herein.

(c) The records supporting the entries in this account shall be so maintained as to show the amount and nature of each transaction recorded herein.

ITEMS

(See § 34.03-12)

Depreciation.
Electron tubes.
Heat, light, and power.
Maintenance.
Material and supplies.
Rent.
Repairs.
Royalties.
Salaries, wages, and expenses of employees.
Small tools.

NOTE: Amounts included in this account applicable to projects that have been abandoned shall be cleared by charges to account 6299, "Other extraordinary income charges," unless otherwise authorized or directed by the Commission.

§ 34.9015 Vehicle expense; undistributed.

(a) This account shall include maintenance, depreciation, and other expenses applicable to vehicles that are not included in other accounts at the time they are incurred.

(b) This account shall be cleared by apportionment to operating-expense, plant, or other accounts benefited on such basis as will equitably distribute the amounts contained herein.

ITEMS

(See § 34.03-12)

Depreciation.
Heat, light, and power.
Maintenance.
Material and supplies.
Rent.
Repairs.

Salaries, wages, and expenses of employees.
Small tools.

§ 34.9020 Shop, tool, and implement expense; undistributed.

(a) This account shall include maintenance, depreciation, and other expenses applicable to shop equipment, tools, and implements and the cost of material, labor, supplies, and other items incidental to repair work in the carrier's own shops that are not included in other accounts at the time they are incurred. (See also paragraph (c)(2) of § 34.1-3.)

(b) This account shall be cleared by apportionment to operating-expense, plant, or other accounts benefited on such basis as will equitably distribute the amounts contained herein.

ITEMS

(See § 34.03-12)

Depreciation.
Heat, light, and power.
Maintenance.
Material and supplies.
Rent.
Repairs.
Salaries, wages, and expenses of employees.
Small tools.

§ 34.9025 Plant-supervision expense; undistributed.

(a) This account shall be charged initially with the salaries and the office and other expenses of officers, superintendents, engineers, architects, special consultants, and field supervisors engaged exclusively in supervising and directing both maintenance and construction work; also the similar expenses of the office and field forces of such officers and employees.

(b) This account shall be cleared by allocation to the operated plant accounts, to account 4110, "Supervision of maintenance," and to other appropriate accounts, on such basis as will equitably distribute the amounts contained herein.

NOTE: The salaries and the office and other expenses of foremen and inspectors in direct charge of maintenance, construction, or removal work shall not be included in this account but shall be charged direct to the accounts appropriate for the class of work performed.

ITEMS

(See § 34.03-12)

Books and periodicals.
Plant supervising officers and their staffs, including engineers, office and field forces charged with planning for and superintending maintenance, construction, and plant removal work—pay and expenses of.
Postage, printing, and stationery.
Rent and repairs of offices.
Supplies.
Tools and instruments of small value or short life.

§ 34.9030 Supply expense; undistributed.

(a) This account shall include the amount of expenses and costs incurred in connection with the purchase, storage, handling, and distribution of material and supplies that are not included in other accounts at the time they are incurred and the amount of depreciation and maintenance applicable to the equipment of storerooms.

(b) Cash and other discounts on material shall be deducted from the cost of the particular material to which they relate or credited to the account to which the material is charged. When impracticable of such treatment they shall be credited to this account.

(c) Transportation charges on material purchased shall be included as a part of the cost of the particular material to which they relate. When impracticable of such treatment they shall be charged to this account. Transportation charges on material recovered from plant retired shall be accounted for as a part of the cost of removal.

(d) This account shall be cleared by adding to the cost of material and supplies a suitable loading charge that will equitably distribute the amounts contained herein.

ITEMS

(See § 34.03-12)

Books and periodicals.
Customs duties and excise taxes.
Depreciation and maintenance of storeroom equipment.
Insurance against losses and damages to material and supply stock. (See also account 4425, "Insurance.")
Inventory differences in material and supplies that cannot be assigned to specific

accounts. (See also account 1795, "Material and supplies.")
Losses due to breakage, leakage, evaporation, and fire and other casualties to supply stock not assigned to specific accounts or distributed through the pricing of material and supplies disbursed.
Postage, printing, and stationery.
Purchasing agents, superintendents and supervisors of supplies, managers of stores, storekeepers, clerks and laborers; pay and expenses of.
Rent and repairs of storehouses, storerooms, storage yards, and other quarters.
Supplies used.
Transportation charges, undistributed.

§ 34.9035 House service expense; undistributed.

(a) This account shall include the amount of expenses incurred in operating offices and buildings (whether owned or rented) that are not included in other accounts at the time they are incurred.

(b) This account shall be cleared by apportionment to operating-expense or other accounts benefited on such basis as will equitably distribute the amounts contained herein.

ITEMS

(See § 34.03-12)

Building superintendents and others engaged in supervising house-service operations—pay and expenses of.
Cleaning supplies.
Elevator service.
Heat.
Janitor service.
Light.
Postage, printing, and stationery.
Power. (See also account 4225, "Operating power.")
Refrigeration.
Rent and repairs of quarters used in the supervision of general house-service operations other than space used by janitors and similar employees in furnishing house service for a particular building.
Supplies.

RETIREMENT UNITS

§ 34.1-6-1 Retirement units.

(a) The list of retirement units in this section shall be used in connection with plant retirements for the purpose of distinguishing between amounts chargeable to account 1515, "Allowance for depreciation; radiotelegraph plant," under the provisions of paragraph (b)(1) of § 34.1-6 and replacement costs chargeable to the maintenance accounts, as provided in paragraph (a)(2) of § 34.41-5. These retirement units should not be confused with property units used in continuous property records (see § 34.1-8) and shall not be considered as affecting the classification of plant (see § 34.03-12).

(b) Elimination of or substitution for retirement units listed in this section may not be performed without specific authority by the Commission except that items which are not combinations of the listed retirement units may be added without such authority and carriers may account for any listed units as maintenance when they are of small cost and are not complete units of operated plant.

(c) This list shall be expanded by the carrier to include complete units of operated plant not shown in this section.

(d) The carrier shall report to the Commission, within 90 days after June 30 of each year, and as at that date, all additions which have been made to the list under this authority, all items included in the list which have become obsolete, either as to technical titles or use in communication service, and the items which the experience of the carrier has shown to involve a small cost only. This report should include such other information concerning the list as the carrier may desire to place before the Commisision with a request for appropriate action by the Commission in the matters described.

(e) The article "a," "an," or "the," as appropriate, should be read in connection with each retirement unit listed in this section.

LAND IMPROVEMENTS (ACCOUNT 12)

Barrier, road or snow—not part of fence or wall.
Bench—permanently attached.
Billboard or sign.
Branch or spur—extending from a main roadway or sidewalk—complete.
Bridge or trestle—foot or road.
Cattle-guard.
Fence, wall or hedge—continuous length of 50 feet or more.
Fountain or pond—ornamental.
Gate, ornamental—not associated with fence or wall.
Incinerator—stone, brick, or concrete.

Lawn or other landscaped area—complete—1,000 square feet or more in area.
Pavilion, rest.
Platform loading—not part of building.
Pole, post, standard or fixture—yard lighting or other, with or without appurtenances.
Power line or cable—yard lighting.
Railroad spur or siding.
Road, walk, yard, or parking area—improved surface—complete system, 300 square feet or more in area.
Stand or pit, car washing or greasing.
Swimming pool, tennis court or similar recreation unit—complete.
Trough, water.

DRAINAGE, SEWERAGE, GAS AND WATER SYSTEMS (ACCOUNT 13)

Basin.
Dike or levee—section of.
Drain, sewer, dam or spillway—branch or main—continuous length of 20 feet or more.
Engine or engine foundation.
Filtration plant.
Gas supply or distribution system.
Hydrant.
Hydraulic ram—complete installation.
Manhole or handhole.
Motor, electric (1 or more hp.).
Pole, power supply line.
Power supply cable or line—complete or section of 300 feet or more.
Pump, water.
Reservoir, cistern or well.
Shelter or housing for machinery.
Sprinkler system, lawn.
Subsurface drain bed.
Tank or cesspool—septic, settling or water—with or without tower or other support.
Water conducting system—piping or other medium—complete, or continuous length of 20 feet or more.
Windmill or windmill tower.

BUILDINGS (ACCOUNT 14)

Air-conditioning or ventilating system.
Automatic stoker.
Boiler.
Building.
Chimney or stack.
Conveying system, coal or ash.
Crane or hoist—other than mobile.
Door or window—metal or wood—complete with box, frame and sash.
Elevator—complete with or without operating mechanism.
Fire escape.
Flooring for one room.
Fountain, drinking.
Furnace, heater or heating system.
Ground bus structure—permanent ground system.
Ground system, electrical—buried part of ground bus structure.
Heater, hot-water.
House-lighting or power board.
Motor (1 or more h.p.), generator, engine, turbine, pump, compressor, ventilating fan, air washer, elevator drum or other—with or without associated wiring, control equipment, etc.
Penthouse.
Platform, loading.
Roof—with or without supporting structures. (A building of irregular shape having more than one roof level may have several isolated roofs, each of which shall be considered an entire roof. In the case of buildings to which lateral extensions have been made, even though having but one roof level, that part of the roof covering an entire section built at one time shall be considered an entire roof.)
Tank—oil or water.

Other costs to be treated as retirement units. (In addition to the foregoing retirement units, portions of buildings, equipment, fixtures, etc., installed and retired, and the labor and incidental costs involved in connection with work of the following character, shall be handled through the plant and depreciation-allowance accounts):

Changes in the type of operation of elevator systems, e.g., a change from manual to automatic control of cars, from manual to power operation of doors, from low speed to high speed, from direct to alternating current, from hydraulic to electric operation, from one type of signaling or dispatching system to another.
Relocation of toilet rooms, battery rooms, kitchens, terminal rooms, transformer vaults, etc.
Structural changes, such as: Reinforcements of floors, roofs, bearing walls, footings and foundations; additions or relocations of elevator shafts, stairways, fire exits, and vaults, but excluding switchboard cable holes and slots; and building alterations required for fire protection and other safety measures.
Changes in the type of electric current supply, or of ventilating, air-conditioning or similar systems.
Building enlargements.
Replacements of plumbing or heating pipes—with or without associated valves, except when necessitated by minor repairs or minor relocations of fixtures.
Replacements of all or substantially all the lighting fixtures—with or without associated wiring and conduit—in one operating or equipment room or, in the case of office space, on one floor of a building.
General replacements (throughout a building or throughout an entire portion erected at one time) of items such as supply, return or air valves in heating systems;

hot or cold water valves or faucets; and plumbing, heating, or drainage traps

Towers and Masts (Account 21)

Beacon-light—flashing or other warning complete.
Fixture, crossarm, or bridge.
Guy or anchor—complete.
Halyard—permanent.
Ladder or stairway—access.
Mast—pole-type or A-frame structure.
Time switch—airway beacon.
Topmast.
Tower.
Towerhouse.
Tower-lighting system.
Triatic system.
Winch—with or without foundation.

Antenna Systems (Account 22)

Antenna—complete.
Conductor system, buried.
Discrimination network.
Down leads—all associated with one antenna.
Filter assembly.
Frequency matching trap.
Ground system.
Lightning arrestor assembly.
Pole—20 feet or more in height.
Power board.
Single or multiple antenna wire (with or without associated spacers, supporting insulators and catenary wires, if integral parts of span)—continuous span.
Terminal or switching structure—with or without foundation.
Transmission line—2 or more continuous spans or a section of 300 feet or more.

Control Lines (Account 26) and Power-Supply Lines (Account 27)

Cable, aerial—with or without associated suspension strand, clamps or rings—one or more spans.
Cable—buried or underground—a section of 300 feet or more, or a section between manholes, splicing boxes or pedestals.
Cable entrance or stub—building.
Case of equipment, such as loading coils, building-out condensers, carrier line filters, or auto-transformers.
Gas-pressure fault-indicating system.
Manhole or handhole.
Pole (line, brace, guy or pole forming part of an A or H frame)—with or without associated anchors, guys, steps or other appurtenances.
Pothead, high tension.
Special fixture (bridge, tower or other special river-crossing or long-span fixture)—with or without associated anchors, guys or other appurtenances.
Telephone or complete telephone system—field.
Tone conversion unit.
Tone source unit.
Transformer, pole mounted.
Underground conduit or dip—a section between a manhole, handhole, or service box and a pole or building; or between two manholes, handholes, service boxes or buildings.
Wire—with or without associated insulators or other hardware—two or more continuous spans.

Radio Transmitter Equipment (Account 31)

Air-duct system.
Amplifier unit.
Antenna coupling device.
Blower.
Control panel.
Cooling unit—oil or water.
Driver or exciter unit.
Generator.
Harmonic filter unit.
Keyer unit—tone signal, frequency shift, etc.
Modulator unit.
Motor, electric (1 or more hp.).
Oscillator unit.
Power supply unit, crystal.
Pump.
Radiator.
Rectifier unit.
Transformer.
Transmitter—complete, with or without associated wiring or conduit.

Cooling Apparatus (Account 33)

Air duct.
Blower.
Cooling pond.
Cooling pond louvre or wind break.
Cooling tank structure.
Cooling or spray tower.
Fan, exhaust.
Heat exchanger.
Machine foundation.
Motor, electric (1 or more hp.).
Pipe lines and valves in connection with cooling devices—complete or continuous length of 20 feet or more.
Pump.
Radiator.
Refrigerating unit.
Sump.
Tank—brine or fresh water.
Water still.

Receiver Equipment (Account 34)

Amplifier unit.
Antenna combining or coupling unit.
Coil box.
Converter unit.
Current-limiter or limiter-adapter.
Demodulator or detector unit.
Frequency indicator or adapter.

Frequency shift keying unit.
Monitor unit.
Oscillator unit.
Panel—antenna distribution, receiver relay signal control or power supply.
Power-supply unit.
Rack, table, desk, or other structure used as mounting.
Receiving set—complete.
Rectifier unit.
Rejector coupling unit.
Tone keyer unit.
Tuner unit.
Voltage regulator unit.

Power Supply and Distribution Equipment (Account 36)

Alternator.
Ash or coal conveyor.
Battery charging installation.
Battery, storage.
Battery rack, cabinet, or counter—storage or dry.
Boiler.
Bus bars, cable or wiring—with or without conduit (such as between: battery and fuse panel or power switchboard and equipment).
Bus and switching structure—substation.
Circuit breaker.
Compensator.
Compressor, air.
Condenser, power factor correction or synchronous motor.
Disconnect switch, high tension.
Feed water condenser.
Filter assembly, battery charging.
Filter condensers.
Fuse cabinet or box.
Generator.
Housing or shelter for pump.
Lighting system, substation.
Lightning arrester assembly.
Machine foundation.
Meter, demand or watt hour.
Metering transformer, high tension.
Motor generator.
Motor, electric (1 or more hp.).
Oil burner.
Power plant or substation—complete.
Prime mover.
Pump.
Rack or frame—rectifier, filter.
Reactor.
Rectifier.
Starter.
Substation enclosure, structure, vault or house.
Switchboard or control panel.
Tank—fuel oil, feed water, or compressed air.
Tanks or jars—complete set for storage batteries.
Transformer.
Trolley hoist or crane.
Voltage regulator.

Ocean Cable (Account 37)

A section of ocean cable between two terminal points, or a section involved in rerouting such cable.

A repeater.

Note: Carriers having a shared interest in ocean cable shall use the same retirement units for such cable as the carrier which performs the initial plant accounting with respect thereto and continues as the party responsible for its maintenance and the accounting therefor. If the party responsible for cable maintenance and the accounting therefor is not a carrier under the Communications Act, the Commission shall be consulted concerning the retirement units to be used.

Control Apparatus (Account 40)

Adaptors—ocean cable—telex.
Air conditioning system—associated with a frequency-measuring room—not part of building.
Amplifier or amplifier-rectifier unit.
Audio-frequency carrier telegraph equipment.
Auto frequency correcting units.
Base, printer or reperforator.
Blower.
Board-printer-control, relay, amplifier, line-test, or keyer.
Bus truck.
Cabinet—with or without equipment.
Call register.
Clock—synchronous, master, or control board.
Comparator.
Compressor.
Concentrator for radiotelegraph or wire-telegraph circuits, printer circuits or telephones.
Console, teletypewriter—package set—reperforator or perforator.
Control or switching box.
Control booth, desk, or console.
Converter unit.
Conveyer belt installation.
Cover—printer, reperforator or perforator.
Demodulation limiter unit.
Duplicating machine, message.
Echo suppressors.
Equalizers—phase and amplitude.
Facsimile machine—transmitting, receiving or combination.
File or rack—message handling.
Filter-rack installation.
Filter unit.
Fork unit.
Frequency meter.
Frequency standard.
Fuse panel—with or without associated wiring.
Heat-control unit, fork.
Hybrid coil panel.
Intercommunicating system.

- Inverter unit.
- Jack panel.
- Keyboard—printer or reperforator.
- Keyer unit.
- Lamp panel—with or without associated wiring.
- Limiter.
- Line-equalizing unit.
- Microphone complete with mounting connecting cord, etc.
- Microphone control panel.
- Mixer panel.
- Modulator unit.
- Monitor loudspeaker—portable.
- Monitor receiver—portable.
- Monitor recorder—portable.
- Motor starter or compensator.
- Motor, electric (1 or more hp.)
- Multi-conductor patching panel.
- Multiple pen recorder.
- Multiplex terminal.
- Numbering machine, message.
- Oscillator unit.
- Oscilloscope or oscillograph.
- Perforator or reperforator.
- Phonographic turntable.
- Photoradio or facsimile terminal.
- Photoradio operating table—complete with wiring, outlets, compressor, etc.
- Photoradio receiving recorder.
- Photoradio universal transmitting and receiving machine.
- Pneumatic tubing—with or without protective covering—section of.
- Power supply unit.
- Printer control unit.
- Printer, keyboard—page or tape.
- Public-address system.
- Rack, table, stand, desk, panel, shelf, console, cabinet or other supporting structure—with or without equipment.
- Radio receiver or unit.
- Radio transmitter frequency-control installation.
- Reactor, modulation.
- Receiving terminal—tape tube.
- Rectifier.
- Regenerators.
- Regulator unit.
- Relay-control drawer—with or without relays—teletypewriter package set.
- Relay test panel—with or without associated wiring.
- Relay tray.
- Reperforator transmitters.
- Scanner unit—radiophoto.
- Signal indicator, teletypewriter—package set.
- Sub-dividers—telegraph channel.
- Switchboard, call circuit.
- Tape rewind—motor driven.
- Teleautograph installation.
- Telegraph repeater.
- Telephone head-set, hand-set, breast-set, receiver, or transmitter.
- Telephone modulator.
- Teletypewriter.
- Temperature-control box.
- Test board—telegraph.
- Time delay unit for automatic transmitters.
- Time stamp or time-stamp installation.
- Tone-generator unit or installation.
- Transformer, power or modulation.
- Transmitter-distributor.
- Transmitter frequency monitor.
- Typewriter, traffic.
- Typing unit, printer or reperforator.
- Volume-indicator unit.
- Wiring base, cabinet rack.

Equipment on Customers' Premises (Account 41)

In addition to the item "Call Boxes" which is peculiar to equipment on customers' premises, the retirement units for this account shall correspond to those designated for comparable equipment in carriers' offices.

Furniture and Office Equipment (Account 51)

- Air-conditioning unit—portable.
- Bed, cot, couch, davenport or lounge.
- Cabinet.
- Cafeteria and hotel equipment.
- Cash register.
- Chair.
- Costumer.
- Counter.
- Desk or table.
- Fan, electric—portable.
- Fire extinguisher--portable, hand-refillable.
- Floor coverings.
- Heater, electric—portable.
- Locker.
- Machines—Accounting, adding, addressing, billing, blueprinting, calculating, listing, dictaphone and duplicating.
- Piano or phonograph.
- Receiver—radio or television.
- Refrigerator.
- Safe.
- Shotgun, rifle or revolver.
- Sign—portable.
- Time clock or other.
- Typewriter.
- Vacuum cleaner.
- Venetian blinds.
- Washing machine.
- Water cooler.

Ship Station Equipment (Account 61) and Other Mobile Station Equipment (Account 69)

- Automatic alarm.
- Direction finder.
- Radar.
- Ringer.
- Sperry repeater.
- Also, each applicable item of equipment as listed under the other accounts.

TRANSPORTATION EQUIPMENT (ACCOUNT 71)

Air compressor, mobile.
Airplane.
Amphibious vehicle.
Automobile.
Bicycle.
Boat or barge.
Cart.
Motorcycle.
Motor truck—with or without body.
Motor truck body.
Mounted kitchen.
Pole dolly or dinkey.
Scooter-bike.
Tractor or trailer.

SHOP EQUIPMENT, TOOLS AND IMPLEMENTS (ACCOUNT 72) AND STORE AND WAREHOUSE EQUIPMENT (ACCOUNT 73)

Acetylene torch outfit.
Air compressor.
Analyzer, spectrum.
Back-filling machine.
Bending brake.
Blower, power.
Boring mill.
Bridge—capacity, resistance, inductance, or combination thereof.
Cabinet, chest, counter, bin, barrel or shelving.
Circuit tester or analyzer.
Compressed air tool.
Concrete mixer.
Counter—movable.
Crane, derrick, chain hoist or winch.
Crystal testing installation.
Decade resistance box.
Decremeter.
Diaphragm pump—with or without engine—portable.
Dummy antenna or dummy load.
Earth-boring machine—not part of a truck or tractor.
Engine.
Farm implement—costing over $10.00.
Field intensity measuring installation.
Forge or furnace.
Hand tool—any costing over $10.00.
Harmonic generator or distortion amplifier unit.
Hi-low control temperature cabinet.
Ladder.
Lathe.
Lineman's test set.
Magneto test set.
Meter—any costing over $10.00.
Milling machine.
Motor, electric (1 or more hp.).
Oil filter press—with associated equipment.
Oil testing set.
Oscillator.
Oscillograph or oscilloscope.
Paint-spray outfit.
Pole-treating installation.
Power planer, drill press, grinder, hammer or saw.
Pump—gasoline or oil.
Pyrometer—portable.
Radio frequency assembly.
Relay test-panel—with or without associated wiring.
Rock crusher and screening plant.
Scales, platform.
Signal-distortion test set.
Signal generator.
Stroboscope.
Synchroscope.
System of pulleys, shafting or belting for transmission of shop power.
Tank—fuel, gasoline, oil, storage or water.
Telephone outfit—portable.
Temperature controlled oven.
Test amplifier unit.
Test table.
Thermistor bridge.
Thermocouple.
Tool rack or tool case.
Tower erection cage.
Transit, surveyor's.
Trenching machine.
Truck or cart.
Vacuum-tube gas detector
Vacuum-tube tester
Volume or power-level indicator—portable.
Water purifier or still—not part of water cooling system.
Welding outfit.
White print machine.
Wire-measuring machine.
Work bench or work table.

[28 FR 13102, Dec. 5, 1963, as amended at 29 FR 12775, Sept. 10, 1964; 32 FR 2637 Feb. 8, 1967]

PART 35—UNIFORM SYSTEM OF ACCOUNTS FOR WIRE-TELEGRAPH AND OCEAN-CABLE CARRIERS

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35.10-12 Deferred credits.
35.10-13 Discount, expense, and premium on capital stock.
35.10-14 Discount, expense, and premium on long-term debt.
35.10-15 Irrevocable trusts.
35.10-16 Contingent assets and liabilities.
35.10-17 Nominally issued securities.
35.10-99 Contemplated form of balance sheet.

PRESCRIBED ACCOUNTS

NOTE: Number to the right of the decimal point is the account number.

Communication Plant

35.1000 Operated plant in carrier's service.
35.1100 Operated plant leased to others.
35.1200 Improvements and replacements of operated plant leased from others.
35.1300 Plant under construction.
35.1400 Plant held for future communication use.
35.1510 Plant-acquisition adjustments.
35.1515 Allowance for depreciation; wire-telegraph and ocean-cable plant.
35.1520 Allowance for amortization; wire-telegraph and ocean-cable plant
35.1530 Telephone and radiotelegraph plant.
35.1535 Allowance for depreciation and amortization; telephone and radiotelegraph plant.
35.1540 Plant in process of reclassification
35.1545 Plant adjustments.
35.1599 Foreign investment in communication plant.

Investments and Funds

35.1620 Investments in affiliates.
35.1625 Nonregulated investments.
35.1629 Other investments.
35.1630 Debt-redemption funds.
35.1635 Employees' provident funds.
35.1640 Insurance funds.
35.1645 Miscellaneous funds held by trustees.
35.1659 Other miscellaneous funds.
35.1698 Amortized discount and premium on investment securities.
35.1699 Allowance for doubtful investments.

Current Assets

35.1710 Cash.
35.1715 Special cash deposits.
35.1720 Working cash advances.
35.1725 Temporary investments.
35.1730 Receivables from customers.
35.1742 Traffic settlements receivable from affiliates.
35.1749 Other receivables from affiliates.

Receivables From Nonaffiliates

35.1751 Notes receivable.

35.1752 Traffic settlements receivable.
35.1753 Matured interest receivable.
35.1754 Declared dividends receivable.
35.1755 Matured rents receivable.
35.1759 Other accounts receivable.
35.1765 Allowance for uncollectible receivables.
35.1770 Unmatured accrued receivables.
35.1775 Subscriptions to capital stock.
35.1780 Deposits on subscriptions to capital stock.
35.1785 Subscriptions to bonds.
35.1790 Deposits on subscriptions to bonds.
35.1795 Material and supplies.
35.1799 Other current assets.

Prepayments

35.1810 Prepaid insurance.
35.1815 Prepaid rents.
35.1820 Prepaid taxes.
35.1899 Other prepayments.

Deferred Charges

35.1910 Extraordinary maintenance, depreciation, and retirements.
35.1915 Capital-stock expense.
35.1920 Long-term debt expense.
35.1925 Discount on capital stock.
35.1930 Unamortized discount on debt.
35.1935 Preliminary survey and investigation charges.
35.1940 Debit balances in clearing accounts.
35.1999 Other deferred charges.

Long-Term Debt

35.2010 Bonds actually issued.
35.2015 Bonds reacquired.
35.2020 Bonds subscribed; unissued.
35.2025 Receivers' and trustees' securities.
35.2030 Advances from affiliates.
35.2099 Other long-term debt.

Current Liabilities

35.2101 Unpaid wages.
35.2111 Liability for tax collections.
35.2113 Unpaid money-orders.
35.2115 Customers' deposits.
35.2120 Matured long-term debt.
35.2122 Traffic settlements payable to affiliates.
35.2129 Other payables to affiliates.

Payables to Nonaffiliates

35.2131 Notes payable.
35.2132 Traffic settlements payable.
35.2133 Matured interest payable.
35.2134 Dividends payable.
35.2135 Matured rents payable.
35.2139 Other accounts payable.
35.2155 Advance billings.
35.2160 Liability on installment-plan sales of capital stock.

Liability Accruals

35.2164 Dividends declared.
35.2165 Interest accruals.
35.2170 Rent accruals.
35.2175 Tax accruals.
35.2180 Other liability accruals.
35.2199 Other current liabilities.

Provisions for Future Settlements

35.2210 Provisions for employees' pensions and welfare.
35.2215 Provisions for self-carried insurance.
35.2220 Provisions for equalization of maintenance expenses.
35.2225 Provisions for depreciation and replacement of operated plant leased from others.
35.2230 Leased operated plant retired.
35.2299 Other provisions for future settlements.

Deferred credits

35.2310 Unamortized premium on debt.
35.2315 Advances for construction.
35.2320 Credit balances in clearing accounts.
35.2399 Other deferred credits.

Capital Stock

35.2410 Capital stock issued.
35.2415 Capital stock reacquired.
35.2420 Capital stock subscribed; unissued.
35.2425 Obligations for stock conversion.

Capital Surplus

35.2510 Premiums and assessments on capital stock.
35.2515 Contributions of plant.
35.2599 Other capital surplus.

Earned Surplus

35.2610 Contractual reserves.
35.2615 Reserve against impairment of stated capital.
35.2620 Miscellaneous reserves.
35.2699 Unappropriated earned surplus.

OPERATED PLANT ACCOUNTS

INSTRUCTIONS

35.1-1 Purpose and content of operated plant accounts.
35.1-2 Accounting for plant acquisitions.
35.1-3 Components of construction costs.
35.1-4 Overhead construction costs.
35.1-5 Expenditures on operated plant leased from others.
35.1-6 Additions, retirements, and replacements of operated plant.
35.1-7 Transfers of plant.
35.1-8 Continuous property-record required.
35.1-99 Contemplated form of plant statement.

PRESCRIBED ACCOUNTS

NOTE: Number to the right of the decimal point is the account number.

Real Estate

35.11 Land used for right of way.
35.12 Land used for building sites.
35.13 Land used for other operations.
35.14 Land improvements.
35.15 Buildings.

Outside Communication Lines

35.21 Poles.
35.22 Aerial wire.
35.23 Aerial cable.
35.24 Underground cable.
35.25 Buried cable.
35.26 Submarine cable.
35.27 House cable.
35.28 Underground conduit.
35.29 Pneumatic tubes.
35.31 Ocean cable.

Inside Communication Plant

35.41 Message transmitting and receiving equipment.
35.42 Repeater and terminal equipment.
35.43 Switchboards and distributing frames.
35.44 Pneumatic-tube and conveyor equipment.
35.45 Power equipment.
35.46 Messenger call-circuit equipment.
35.47 Time-service equipment.
35.48 Ticker and commercial news service equipment.
35.49 Office cable and conduit.
35.51 Equipment furnished customers.
35.59 Other inside communication plant.

Office and Messenger Equipment

35.61 Furniture and office appliances.
35.65 Messenger uniforms.
35.69 Other office and messenger equipment.

Work Equipment

35.71 Vehicles.
35.72 Shop equipment.
35.73 Store and warehouse equipment.
35.74 Tools and implements.
35.75 Floating equipment.
35.76 Railway equipment.
35.77 Emergency facilities.
35.78 Laboratory equipment.

Intangibles

35.81 Organization.
35.82 Franchises.
35.83 Patent rights.
35.84 Leaseholds.
35.85 Research and development.
35.89 Other intangibles.

Other Plant Accounts

35.91 Plant acquired; undistributed charges.
35.92 Plant sold; undistributed credits.

INCOME AND EARNED-SURPLUS ACCOUNTS

INSTRUCTIONS

35.30-1 Purpose of income accounts.
35.30-2 Income from debt-redemption and other funds.
35.30-3 Rents includible in income accounts.
35.30-4 Disposition of balances in income accounts.
35.30-5 Purpose of earned-surplus accounts.
35.30-6 Disposition of balances in earned-surplus accounts.
35.30-99 Contemplated form of income and earned-surplus statement.

PRESCRIBED ACCOUNTS

NOTE: Number to the right of the decimal point is the account number.

INCOME ACCOUNTS

Ordinary Income; Communication

35.3000 Operating revenues.

Operating-Revenue Deductions

35.4000 Operating expenses.
35.4910 Depreciation.
35.4915 Amortization; intangible operated plant.
35.4920 Amortization of plant-acquisition adjustments.
35.4925 Extraordinary plant losses.
35.4931 Social security taxes; operating.
35.4932 Other taxes; operating.
35.4935 Uncollectible revenues.
35.4945 Telephone and radiotelegraph operating-revenue deductions.
35.4950 Revenue-contract payments.
35.4999 Other operating-revenue deductions.

Other Communication Income

35.5010 Income from operated plant leased to others.
35.5015 Income from telephone and radiotelegraph plant leased to others.
35.5020 Profit from general services, licenses, and royalties.
35.5089 Income from foreign operations.
35.5099 Other communication income.

Ordinary Income; Noncommunication

35.5110 Income from miscellaneous physical property.
35.5111 Income from nonregulated investments.
35.5120 Dividend income.

35.5125 Interest income.

35.5135 Income from debt-redemption and other funds.

35.5140 Gain or loss on foreign currency exchange.

35.5199 Other noncommunication income.

Deductions from Ordinary Income

35.5205 Rent for lease of operated plant.

35.5210 Interest on long-term debt.

35.5215 Interest on indebtedness to affiliates.

35.5220 Amortization of debt discount.

35.5225 Interest charged to construction—Cr.

35.5230 Amortization of debt premium—Cr.

35.5233 Interest on past-due tax assessments.

35.5235 Other interest charges.

35.5240 Taxes assumed on interest.

35.5245 Amortization of debt expense.

35.5250 Miscellaneous taxes.

35.5255 Amortization of plant-acquisition adjustments.

35.5260 Revenue-contract payments.

35.5299 Other deductions from ordinary income.

Extraordinary Income

35.6110 Extraordinary current income credits.

35.6120 Extraordinary current income charges.

35.6210 Delayed income credits.

35.6220 Delayed income charges.

Deductions From Net Income

35.7009 Investment credits; net.

35.7010 Income taxes.

35.7099 Other deductions from net income.

EARNED-SURPLUS ACCOUNTS

Earned Surplus; Credits

35.8110 Balance transferred from income accounts.

35.8199 Miscellaneous credits to earned surplus.

Earned Surplus; Charges

35.8299 Miscellaneous charges to earned surplus.

35.8310 Contractual appropriations of earned surplus.

35.8315 Earned surplus employed in reacquisition of capital stock.

35.8320 Miscellaneous appropriations of earned surplus.

35.8399 Dividend appropriations of earned surplus.

Operating-Revenue Accounts

INSTRUCTIONS

35.31-1 Purpose of operating-revenue accounts.

35.31-2 Basis of credits to the operating-revenue accounts.

35.31-3 Divisions of operating revenues.

35.31-4 Services furnished without direct charge.

35.31-5 Subdivisions of operating-revenue accounts.

35.31-99 Contemplated form of operating-revenue statement.

PRESCRIBED ACCOUNTS

NOTE: Number to the right of the decimal point is the account number.

Wire-Telegraph Transmission Revenues

35.3110 Public message revenue.

35.3115 United States Government message revenue.

35.3125 Press message revenue.

35.3130 Money-order message revenue.

35.3135 News (CND) service revenue.

35.3140 Contract (CAK) message revenue.

35.3145 Facsimile or photogram service revenue.

35.3155 Telephone service revenue.

35.3160 Wire-telegraph revenue on cable and radio messages.

35.3199 Other wire-telegraph transmission revenues.

Transoceanic Message Revenue

35.3200 Transoceanic message revenue.

35.3210 Public message revenue.

35.3216 Government message revenue.

35.3225 Press message revenue.

35.3230 Other commuted-rate revenue.

35.3299 Other message revenue.

Terminal Commission Revenues

35.3350 Terminal commissions.

Wire-Telegraph Nontransmission Revenues

35.3410 Leased-circuit revenue.

35.3415 Measured-service revenue.

35.3420 Other leased-plant revenue.

35.3425 Code-registration revenue.

35.3430 Errand-service revenue.

35.3435 Money-order charges.

35.3440 Time-service revenue.

35.3499 Other wire-telegraph nontransmission revenues.

Other Ocean-Cable Transmission Revenue

35.3700 Other transmission revenue.

35.3705 Scheduled transmission service revenue.

35.3725 Broadcast-program service revenue.

35.3735 News (CND) service revenue.

35.3745 Facsimile or photogram service revenue.

35.3755 Telephone service revenue.

35.3799 Miscellaneous transmission service revenue.

Ocean-Cable Nontransmission Revenue

35.3800 Nontransmission revenue.
35.3810 Leased-circuit revenue.
35.3820 Other leased-plant revenue.
35.3835 Money-order fees.
35.3899 Miscellaneous nontransmission revenue.

Other Telecommunication Revenues

35.3910 Telephone revenue; telephone systems.
35.3925 Radiotelegraph revenue; radio-telegraph systems.

OPERATING-EXPENSE ACCOUNTS

INSTRUCTIONS

35.41-1 Purpose of operating-expense accounts.
35.41-2 Basis of charges to the operating-expense accounts.
35.41-3 Operating expenses applicable to leased plant.
35.41-4 Subdivisions of operating-expense accounts.
35.41-5 Supervision and engineering.
35.41-6 Expenses of holding or servicing departments.
35.41-7 Maintenance expenses.
35.41-8 Expenses of nonregulated operations.
35.41-99 Contemplated form of operating-expense statement.

PRESCRIBED ACCOUNTS

NOTE: Number to the right of the decimal point is the account number.

Maintenance Expenses

35.4101 Supervision of maintenance.
35.4110 Testing and regulating.
35.4120 Maintenance of inside plant.
35.4130 Maintenance of aerial plant.
35.4140 Maintenance of underground plant.
35.4150 Maintenance of real estate.
35.4160 Maintenance of ocean cable.
35.4180 Maintenance-expense equalization.
35.4199 Other maintenance expenses.

Conducting-Operations Expenses

35.4211 Supervision of operations.
35.4212 Wages of operators.
35.4213 Wages of operating-office clerks.
35.4214 Wages of solicitors.
35.4215 Wages of messengers.
35.4219 Wages of other operating-office employees.
35.4221 Field-supervision expense.
35.4223 Advertising and soliciting expense.
35.4231 Messenger-uniform expense.
35.4239 Other messenger expense.
35.4240 Operating power.
35.4251 House service; operating offices.
35.4255 Postage and stationery; operating offices.
35.4259 Other supplies; operating offices.
35.4261 Rents for operating offices.
35.4269 Rents for other facilities.
35.4271 Telephone company service.
35.4273 Terminal commission charges.
35.4275 Terminal commissions; expense credit.
35.4279 Obtaining news (CND) services.
35.4281 Traffic-damage awards.
35.4285 Traffic-damage expenses.
35.4291 Rest and lunch rooms.
35.4295 Employment and training.
35.4299 Other conducting-operations expenses.

General Expenses

35.4311 Legal services.
35.4315 General services, licenses, and royalties—Dr.
35.4317 General services, licenses, and royalties—Cr.
35.4321 Insurance.
35.4325 Injuries and damages.
35.4327 Relief and pensions.
35.4341 Franchise requirements.
35.4399 Other general expenses.

Administrative Expenses

35.4410 Salaries of general officers and executives.
35.4420 Salaries of general office employees.
35.4430 Expenses of general officers and general office employees.
35.4499 Other administrative expenses.

CLEARING ACCOUNTS

INSTRUCTIONS

35.90-1 Purpose of clearing accounts.
35.90-2 Disposition of balances in clearing accounts.
35.90-3 Subdivisions of clearing accounts.

PRESCRIBED ACCOUNTS

NOTE: Number to the right of the decimal point is the account number.

35.9011 Research and development clearing account.
35.9012 Vehicle clearing account.
35.9013 Shop clearing account.
35.9014 Tool and implement clearing account.
35.9015 Plant-supervision clearing account.
35.9016 Supply clearing account.
35.9017 House-service clearing account.
35.9018 Floating-equipment clearing account.
35.9019 Railway-equipment clearing account.

RETIREMENT UNITS

35.1-6-1 List of units to be used in connection with the accounting provided in § 35.1-6.

AUTHORITY: Secs. 4, 303, 307, 48 Stat., as amended, 1066, 1082, 1083; 47 U.S.C. 154, 303, 307. Interpret or apply secs. 219, 220, 48 Stat. 1077, as amended, 1078; 47 U.S.C. 219, 220.

SOURCE: 28 FR 13147, Dec. 5, 1963, unless otherwise noted.

EDITORIAL NOTE: The numerical sequence of sections in this part follows the established sequence of accounts prescribed thereby.

NOTE: In this part the several section numbers indicate the relationship among the instructions and accounts as follows:

Examples:

(1) § 35.01-1.
(2) § 35.10-1.
(3) § 35.1-2.
(4) § 35.1000.
(5) § 35.11.
(6) § 35.1515.

Explanation:

The number "35" (appearing to the left of the decimal point) indicates the part number.

The dash (-) indicates an instruction that is applicable to several accounts. (See examples (1), (2), and (3).)

With the exception of the instructions that are applicable to more than one group of accounts (which are indicated by a zero following the decimal point), the number between the decimal point and the dash indicates the group of accounts to which the instruction is applicable by the use of a mnemonic method of indication consisting of the first two digits of the first account in a group composed of four-digit account numbers, and the first digit of the first account in a group composed of two-digit account numbers (applicable only to the plant accounts in this system of accounts). Thus, in the foregoing examples:

Section 35.01-1 refers to several groups of accounts;

Section 35.10-1 refers to the balance-sheet accounts (beginning with account 1000);

Section 35.1-2 refers to the plant accounts (beginning with account 11).

When no dash appears in the section number, the number to the right of the decimal point is an account number. (See examples (4), (5), and (6).) A colon (:) indicates the subdivision of an account, the number to the right of the colon being the subaccount number. Where references throughout the regulations are to an account, as such, only the account number is used.

APPLICABILITY

§ 35.01-1 Carriers subject to this system of accounts.

This part applies to carriers engaged primarily in furnishing wire-telegraph or ocean-cable service. (See also § 35.03-8.)

§ 35.01-2 Classification of carriers.

(a) For the purpose of applying this part wire-telegraph and ocean-cable carriers are divided into two classes, as follows:

Class A. Carriers having average annual operating revenues exceeding $100,000. Such carriers shall keep all the accounts that are applicable to their affairs.

Class B. Carriers having average annual operating revenues exceeding $50,000, but not exceeding $100,000. Such carriers shall keep all the accounts that are applicable to their affairs, except that their accounts for operating revenues and operating expenses may be kept under the condensed primary classifications provided in §§ 35.05-1 and 35.05-2.

(b) Carriers having average annual operating revenues not exceeding $50,000 may (but are not required to) keep the accounts prescribed in this system of accounts.

§ 35.01-3 Determination of class.

(a) The class to which any carrier belongs shall be determined by the average of its annual operating revenues for the 3 years immediately preceding the effective date of this system of accounts. If at the close of any subsequent calendar year the average of its annual operating revenues for the latest 3 years is greater than the amount applicable to the class in which the carrier has been previously includible, the accounts applicable to the higher class shall be adopted.

(b) Carriers not engaged in furnishing wire-telegraph or ocean-cable service over the 3-year period immediately preceding the effective date of this system of accounts shall estimate the amount of their annual operating revenues and shall keep the accounts applicable to carriers having actual revenues in the amount estimated.

§ 35.01-4 Effective date.

The effective date of this part is January 1, 1943.

DEFINITIONS

§ 35.02-1 Restrictive use of certain terms.

When used in this part, unless otherwise indicated, the term or expression:

"Accounts" or "these accounts" means the accounts prescribed in "this system of accounts."

"Acquisition cost" means the amount of money actually paid (or the then current money value of any consideration other than money given) by the "carrier" for property, including the preliminary expenses incurred in connection with the acqusition.

"Act" or "the act" means the Communications Act of 1934, as amended.

"Actually issued," as applied to securities issued or assumed by the "carrier," means (1) those securities that have been sold to bona-fide purchasers for a valuable consideration (including those issued in exchange for other securities or other property), (2) those that have been issued in accordance with contractual requirements directly to trustees of debt-redemption and other funds, and (3) those that have been issued in payment of dividends on stock.

"Actually outstanding," as applied to securities issued or assumed by the "carrier," means those securities that have been "actually issued" and are neither retired nor held by or for the "carrier": *Provided, however,* That securities held by trustees of debt-redemption and other funds shall be regarded and treated as actually outstanding.

"Affiliate" means (and "affiliated" relates to) a "person" that, directly, or indirectly through one or more intermediaries, "controls," is "controlled by," or is "under common control with," the "carrier."

"Amortization" means the gradual extinguishment of an amount in an account by prorating such amount over a fixed period.

"Book amount," as applied to securities issued or assumed by the "carrier," means (1) the amount duly authorized for inclusion in account 2410, "Capital stock issued," for stock having no par value, and (2) the "face amount" of all other securities.

"Book cost" means the amount at which property is recorded in an account without the deduction of amounts in related or other accounts.

"Carrier" means the accounting carrier.

"Class," as applied to depreciable plant (see § 35.04-1), means that portion of the total plant that is represented by a single primary plant account.

"Commission" means the Federal Communications Commission.

"Communication" or "communication service" means the "transmission" of writing, signs, signals, pictures, and sounds of all kinds, by aid of wire, cable, or radio, between the point of origin and the point of reception of such "transmission," including all instrumentalities, facilities, apparatus, and services (among other things, the receiving, forwarding, and delivery of communications) incidental to such "transmission."

"Compensation," as applied to officers and employees, means salaries, wages, commissions, bonuses, and other remuneration (such as subsistence furnished in lieu of wages) for services.

"Continental communication" means "communication" when both the point of origin and the point of destination are located within the "continental United States."

"Continental United States" means the several States of the United States and the District of Columbia.

"Contingent asset" means an item representing a possible source of value to the "carrier" dependent upon the fulfillment of conditions regarded as uncertain.

"Contingent liability" means an item representing a possible source of obligation of the "carrier" dependent upon the fulfillment of conditions regarded as uncertain.

"Control" means (and the terms "controlling," "controlled by," and "under common control with" relate to) the direct or indirect possession of the power (including the veto power) to direct or to cause the direction of the management, important acts, and policies of a "person," whether such power is exercised through one or more intermediary "persons," or alone, or in conjunction with, or pursuant to an agreement with, one or more other "persons," and whether such power is established through a majority or a minority ownership or voting of securities, common directors, officers, or stockholders, voting trusts, holding trusts, affiliates, contracts, or any other direct or indirect means. "Control" shall not be viewed as altered by a new status of any "person" that may be occasioned by pending proceedings in bankruptcy or by any situation of receivership, trusteeship, or fiduciary relationship resulting from proceedings of a like nature.

"Cost," as applied to plant, means the "original cost" of plant acquired from predecessors as substantially complete operating systems or operating units and the "acquisition cost" of all other plant. Except as applied to plant, "cost" means the amount of money actually paid (or the then current money value of any consideration other than money given) by the "carrier" for property or services.

"Cost of removal" means the cost of demolishing, dismantling, tearing down or otherwise removing plant including the cost of transportation and handling incidental thereto.

"Date of installation," as applied to plant acquired from predecessors as substantially complete operating systems or operating units, means the date at which such plant was first dedicated to public use. As applied to all other plant, the term means the date at which such plant was placed in "communication service" by the "carrier."

"Date of retirement" means the date at which plant is retired from "communication service."

"Debt expense" means all expenses incurred by or for the "carrier" in connection with the issuance and sale of evidences of debt (exclusive of the sale of reacquired securities), such as fees for drafting mortgages and trust deeds; fees and taxes for issuing or recording evidences of debt; cost of engraving and printing bonds, certificates of indebtedness, and other commercial paper; specific costs of obtaining governmental authority for issuance and filling notices thereunder; fees for legal services; fees and commissions paid underwriters, brokers and salesmen for marketing such evidences of debt; fees and expenses of listing on exchanges; and other like costs.

"Delayed items" means items relating to transactions that occurred during a prior calendar year and require further accounting treatment for a true statement. It includes adjustments of errors in the operating-revenue, operating-expense, and other income accounts for prior years.

"Depreciation," as applied to depreciable "operated plant," means the loss in "service value" not restored by current maintenance, incurred in connection with the consumption or prospective "retirement" of such plant in the course of service from causes known to be in current operation against which the "carrier" is not protected by insurance and the effect of which can be forecast with a reasonable approach to accuracy. Among the causes to be given consideration are wear and tear, decay, action of the elements, obsolescence, inadequacy, changes in the art, changes in demand, and requirements of public authorities.

"Discount," as applied to securities issued or assumed by the "carrier," means the excess of (1) the "book amount" of the securities over (2) the then current money value of the consideration received from their sale less the amount included therein for interest accrued or for dividends.

"Domestic message revenue" means revenue from the "transmission" of messages between points within the area comprising the "Continental United States," Alaska, Canada, Saint Pierre-Miquelon and Mexico.

"Face amount," as applied to securities issued or assumed by the "carrier," means the amount of principal of indebtedness, or par value of stock, as set forth in the documents themselves.

"Foreign communication" means "communication" when either the point of origin or the point of destination is located without the "United States."

"Includible" means properly includible under the provisions of "this system of accounts."

"Insular communication" means "communication" between the insular territories or possessions of the United States (excluding the Canal Zone) and the "continental United States," or among the insular territories or possessions of the United States (excluding the Canal Zone).

"Investment advances" means advances, represented by notes or by book accounts only, which it is mutually agreed or intended between the creditor and the debtor shall be settled by the issuance of capital stock or evidences of long-term debt, or shall not be subject to current settlement. Advances with respect to which amounts have been, or will be, included in the current accounts for more than one year will be considered not subject to current settlement.

"Matured" means due and payable (or receivable) as at a date not later than the first day following the date of the balance sheet.

"Minor items," as applied to plant, means those quantities of depreciable "operated plant" not designated as "retirement units" in § 35.1-6-1.

"Mobile communication" means "communication" when either the point of origin or the point of destination is located on aircraft, on a ship, or on a land vehicle regularly used in "communication service."

"Net book cost," as applied to all, or to a specific portion of plant, means the "book cost" minus the recorded depreciation (or amortization) allowance that is assignable thereto.

"Net salvage value" means the "salvage value" of "plant retired" after deducting the "cost of removal" incidental to its "retirement."

"Nominally issued," as applied to securities issued or assumed by the "carrier," means those securities that have been signed, certified, or otherwise executed, and placed with the proper officer for sale and delivery, or pledged or otherwise placed in some special fund of the "carrier," but have not been sold or issued directly to trustees of debt-redemption or other funds in accordance with contractual requirements.

"Nominally outstanding," as applied to securities issued or assumed by the "carrier," means those "actually issued" securities that have been reacquired by or for the "carrier" under circumstances that prohibit considering them retired: *Provided, however,* That securities held by trustees of debt-redemption or other funds shall be regarded and treated as "actually outstanding."

"Ocean-cable plant" means plant used or useful in furnishing "ocean-cable service."

"Ocean-cable service" means record "communication service" furnished prevailingly by means of transoceanic-type cable and associated facilities located at ocean-cable termini, as well as incidental services so intimately related to such "communication service" as to make impracticable the determination of the extent to which the use of plant or the operating income, revenues, or expenses are applicable to such incidental services.

"Operated plant" means physical plant used solely for regulated "wire-telegraph service" and "ocean-cable service" or in common with nonregulated operations together with associated intangible items.

"Original cost," as applied to plant, means the actual money cost of (or the then current money value of any consideration other than money given for) property at the time it was first dedicated to the public use, whether by the "carrier" or by any other "person."

"Person" means an individual, a corporation, a partnership, an association, a joint-stock company, a business trust, or any other organized group, or any receiver or trustee.

"Plant retired" means plant that has been removed, sold, abandoned, destroyed, or for any cause withdrawn from "communication service."

"Premium," as applied to securities issued or assumed by the "carrier," means the excess of (1) the then current money value of the consideration received from their sale, less the amount included therein for interest accrued or for dividends, over, (2) their "book amount."

"Primary account" means (1) any account the name or title of which appears in the table of contents of "this system of accounts" or (2) any additional clearing account or experimental account optionally maintained pursuant to the provisions of § 35.03-5.

"Replacement" means the construction or installation of plant in place of "plant retired."

"Retirement." (See "plant retired".)

"Retirement units" means the quantities of depreciable "operated plant" listed in § 35.1-6-1.

"Salvage value" means the amount received for "plant retired," if sold, less any expenses incurred in connection with such sale or in preparing the property for sale; or, if retained, the amount at which the material recovered is chargeable to account 1795, "Material and supplies," or other appropriate account.

"Service life" means the period between the "date of installation" of plant and the "date of retirement" thereof.

"Service value" means the difference between the "cost" of plant and its "net salvage value."

"Stock expense" means all expenses incurred by or for the carrier" in connection with the issuance and sale of capital stock (exclusive of the sale of reacquired capital stock), such as fees and commissions paid to promoters, underwriters, brokers, and salesmen; fees for legal services; cost of soliciting subscriptions for capital stock, including fees, commissions, and advertising; specific costs of obtaining governmental authority for issuance and filing notices thereunder; fees and taxes for issuance of capital stock and listing on exchanges; and the cost of preparing, engraving, printing, issuing, and distributing prospectuses and stock certificates.

"Straight-line method," as applied to "depreciation" accounting, means the plan under which the "service value" of depreciable "operated plant" is charged to depreciation, clearing, and other accounts and credited to the depreciation-allowance account through equal annual charges (as nearly as may be) during its "service life."

"Subclass," as applied to depreciable plant (see § 35.04-1), means that portion of a "class" of plant, preferably corresponding to one or more "subprimary" plant accounts, to the cost of which a specific percentage rate of depreciation is applied in accounting for "depreciation," which percentage rate differs from those that are applied with respect to other "subclasses" of the same "class" of such plant.

"Subprimary account" or "subaccount" means any account, required or permitted by "this system of accounts," the balance in which, if combined with the balances in all the other accounts subprimary to the same account, will produce the balance in that "primary account."

"System of accounts" or "this system of accounts" means the rules embodied in this part.

"Transmission" means the movement of "communication." It includes the receiving, forwarding, and delivery of communications.

"Transoceanic message revenue" means revenue from the "transmission" of messages between points outside the area comprising the "Continental United States," Alaska, Canada, Saint Pierre-Miquelon, and Mexico, and between such points and points designated as gateway points (or "Continental terminus," for radiotelegraph communications, as defined in Part 34 of this chapter).

"United States" means the several States and Territories, the District of Columbia, and the possessions of the United States, but does not include the Canal Zone.

"Wire-telegraph plant" means plant used or useful in furnishing "wire-telegraph service."

"Wire-telegraph service" means record "communication service" furnished prevailingly by means of metallic conductors and associated terminal facilities (excluding "ocean-cable plant"), as well as incidental services so intimately related to such "communication service" as to make impracticable the determination of the extent to which the use of plant or the operating income, revenues, or expenses are applicable to such incidental services.

[28 FR 13147, Dec. 5, 1963, as amended at 48 FR 45086, Sept. 30, 1983]

INSTRUCTIONS; GENERAL

§ 35.03-1 Classes of records.

(a) The records to be maintained in accordance with the provisions of this system of accounts are divided into two classes: viz, (1) books of account, containing the primary and subprimary accounts defined in § 35.02-1, and (2) supporting records. (See also §§ 35.03-2 and 35.03-3.)

(b) All records are to be retained permanently except as otherwise provided in Part 42 of this chapter.

§ 35.03-2 Basis of entries in books of account.

(a) Amounts entered in the books of account shall be in denominations of United States currency. When subsidiary records are kept in which entries are made in terms of foreign currencies, the translation to terms of United States currency for entry in the books of account shall be effected as prescribed in § 35.03-16.

(b) The books of account shall be so maintained that when the full information is not recorded therein the entries shall contain sufficient reference to the supporting records to permit ready identification.

(c) Each carrier shall keep its books of account on a calendar-month basis so that for each month all transactions applicable thereto, as nearly as may be ascertained, will be entered in the books. The final entries for any month shall be made not later than 60 days after the last day of the month for which the accounts are stated, except that the period within which the final entries for the month of December shall be made may be extended to such date as will not interfere with the preparation and filing of annual reports as required by section 219 of the act.

(d) The books of account shall be maintained independently for each carrier and shall not be combined with those of any other person.

§ 35.03-3 Records supporting accounting entries.

Supporting records shall be maintained in which shall be shown the full details concerning any entry in the books of account for which the details are not shown in the accounts themselves. The supporting records referred to in this section include, in addition to the accounting records in a limited technical sense, all records such as minute-books, stock-books, reports, correspondence, memoranda, maps, plans, specifications, quantity surveys, inventories, and any and all other records that would be useful in developing the history of or the facts regarding any transaction. These supporting records shall be so filed as to be readily accessible for examination by representatives of the Commission.

§ 35.03-4 Transactions with affiliates.

Each carrier shall so maintain its accounts and records as to be able to furnish accurately and expeditiously a statement of all transactions with affiliates. This statement shall show the general nature of the transactions, the amounts involved therein, and the amounts included in each account prescribed in this part with respect to such transactions.

§ 35.03-5 Summary accounts, subaccounts, additional clearing accounts, and temporary or experimental accounts.

(a) Accounts that are clearly summaries of other accounts or of subaccounts provided for in this part are not required to be kept in the carrier's books of accounts. However, such accounts may be opened in the general books for control purposes.

(b) All accounts kept shall conform in number and title to those prescribed herein, except that:

(1) Carriers may subdivide any of the prescribed accounts or subaccounts, provided that such subdivisions do not impair the integrity of the prescribed accounts. The titles of all such subdivisions shall refer by number or title to the account or accounts of which they are subdivisions.

(2) Clearing accounts in addition to those prescribed and temporary or experimental accounts may be kept, provided that such additional accounts do not impair the integrity of the prescribed accounts.

(c) Within 90 days from the effective date of this system of accounts, the carrier shall notify the Commission of the nature and purpose of (1) the subdivisions of the prescribed accounts, (2) the temporary accounts, (3) the experimental accounts, and (4) the additional clearing accounts opened under authority of this section. The carrier shall continue to keep the Commission informed of all additional accounts (or subaccounts) of these types that are opened after such effective date. Only one item need be reported for a group of subaccounts that differ from each other only with respect to geographical location or type of material.

(d) When so required by a State commission or other authority exercising jurisdiction, the carriers' records may be so maintained that the amounts of plant, operating revenues, operating expenses, and other operating-revenue deductions applicable to operations within such jurisdiction may be stated separately, provided that such separate statement does not impair the integrity of any primary account or subaccount required to be maintained under this system of accounts.

§ 35.03-6 Transferring balances from accounts previously maintained.

As at the effective date of this system of accounts, the several accounts prescribed herein shall be opened by transferring thereto the balances carried in the accounts previously maintained by the carrier. The carrier is authorized to make such subdivisions, reclassifications, or consolidations of these balances as are necessary to meet the requirements of this system of accounts. Entries that require the determination of cost by estimates shall be supported by records showing in complete detail the methods used in arriving at or computing the amounts thereof. Copies of journal entries recorded to effect the transfers, and a detailed statement of the methods used in arriving at or computing estimated costs, shall be filed with the Commission within 90 days fromt the dates of the entries. (See also § 35.1-1(f) and (g).)

§ 35.03-7 Charges to be just and reasonable.

All charges to the accounts prescribed in this system of accounts for plant, for operating revenues, and for operating expenses and other operating-revenue deductions shall be just and reasonable, and any payments by the carrier in excess of such just and reasonable charges shall be included in account 5299, "Other deductions from ordinary income."

§ 35.03-8 Entries involving telephone or radiotelegraph service.

(a) When wire-telegraph or ocean-cable carriers are engaged also in furnishing telephone or radiotelegraph service through the utilization of distinctive portions of their facilities devoted exclusively or primarily to such service, they shall maintain accounts for the plant, operating revenues, operating expenses, and other items applicable to each such service in conformity with the respective effective accounts prescribed for carriers engaged primarily in furnishing such service. In the reports to the Commission the amounts in these accounts shall be indicated as provided in paragraph (b) of this section.

(b) The cost of distinctive telephone or radiotelegraph plant (whether operated by the carrier or others) shall be included in account 1530, "Telephone and radiotelegraph plant." The amounts of the allowances for depreciation and amortization of such plant shall be included in account 1535, "Allowance for depreciation and amortization; telephone and radiotelegraph plant." The amounts of revenue derived from the operation of such plant by the carrier shall be credited to account 3910, "Telephone revenue; telephone systems," or account 3925, "Radiotelegraph revenue; radiotelegraph systems," as appropriate. The amounts of operating-revenue deductions (including operating expenses) applicable to the operation of such plant shall be charged to account 4945, "Telephone and radiotelegraph operating-revenue deductions." The rentals received from telephone or radiotelegraph plant leased to others as substantially complete operating systems or operating units shall be credited to account 5015, "Income from telephone and radiotelegraph plant leased to others," and the amounts of operating-revenue deductions applicable to the operation of such plant shall be charged to account 4945. Rentals from telephone or radiotelegraph facilities not constituting substantially complete operating systems or operating units shall be credited to the appropriate operating-revenue accounts.

(c) When the major use of a particular portion of the carrier's plant is in wire-telegraph or ocean-cable service, but the same facilities are used also in other types of communication service in a manner preventing the distinction of the physical elements associable with such services, the distribution of the operating revenues, operating expenses, and other deductions from operating revenues among the several classes of communication service where directly applicable shall be accomplished by subdivisions of the prescribed accounts, except that revenues derived from telephone service rendered through the use of such plant shall be included in account 3155, "Telephone service revenue" (wire-telegraph), or account 3755, "Telephone service revenue" (ocean-cable), as appropriate. (See also § 35.03-17.)

§ 35.03-9 Sequence of accounts.

The order in which the accounts are presented in this part is not to be considered as necessarily indicative of the order in which they will be scheduled at all times in reports to the Commission. The sequence contemplated (until further notice) will be as indicated in the respective forms which immediately precede the texts for the several groups of accounts.

§ 35.03-10 Preliminary investigations and research.

(a) The cost of preliminary surveys, plans, and investigations made for the purpose of determining the feasibility of contemplated major projects shall be charged to account 1935, "Preliminary survey and investigation charges," and subsequently cleared therefrom in accordance with the text of that account.

(b) The cost of research and development work such as laboratory expenses and other research items that cannot be assigned to specific construction projects, shall be charged to account 9011, "Research and development clearing account," and subsequently cleared therefrom in accordance with the text of that account and § 35.90-2.

§ 35.03-11 Interpretation of the prescribed accounting.

(a) The parenthetical cross-references and the notes following the texts of various instructions and accounts are for the purpose of indicating the particularly applicable provisions of other sections. Such references are not to be construed as comprising a complete list of the instructions relating to a particular subject, since the definitions, the general instructions, and the instructions at the beginning of each group of accounts must be given consideration in determining the prescribed accounting.

(b) All questions of doubtful interpretation of the prescribed accounting shall be submitted, by responsible accounting officials of the carrier, to the Commission for consideration and decision.

§ 35.03-12 Item lists.

The lists of items following the texts of the several accounts are for the purpose of indicating the application of the prescribed accounting in specific cases. The lists are not to be considered as comprising all the items to be reflected in the several accounts, but merely representative of them. Although the same item may appear in more than one list, its appearance in a list warrants the reflection of such item in the account concerned only when the text of the account also so indicates. The proper entry in each instance must be determined by the text of the account.

§ 35.03-13 Delayed items.

Delayed items shall be charged or credited to the same accounts that would have been charged or credited if the items had not been delayed: *Provided*, That, when the amount of a delayed item is relatively so large that its inclusion in the accounts for a single year would seriously distort the accounts for that year, the carrier shall charge or credit the amount to account 6220, "Delayed income charges," or account 6210, "Delayed income credits," as appropriate. The carrier shall be prepared to furnish full particulars concerning each such item, including the accounts and years that would have been affected had the item not been delayed.

§ 35.03-14 Unaudited items.

(a) When, at the end of a calendar year or at such other time as a financial statement may be required by the Commission, it is known that a transaction has occurred which affects these accounts but the amount involved in the transaction and its effect upon the accounts cannot be accurately determined, an estimate thereof shall be included in the appropriate accounts. The carrier is not required to anticipate minor items that would not appreciably affect these accounts.

(b) If, during the interval between the date of initial estimate of the item and the date on which it is audited, a substantial difference from the initial estimate is determined, appropriate adjustment to cover such difference shall be made in the accounts for the month in which the difference is determined.

(c) When the item is audited, the necessary adjustment shall be made in the appropriate account for the month in which the item is audited.

(d) Any substantial difference determined in accordance with paragraph (b) or (c) of this section shall be accounted for as provided in § 35.03-13 or § 35.03-15, as appropriate.

§ 35.03-15 Unusual items.

When the amount of any item includible in an operating-revenue, operating-expense, or other income account for a single month is relatively so large that its inclusion in the accounts for that month would seriously distort that account, it may be included in account 1999, "Other deferred charges," or account 2399, "Other deferred credits," as appropriate, and distributed in equal amounts to the accounts for the current and remaining months of the calendar year.

§ 35.03-16 Transactions involving foreign currency.

(a) Amounts to be entered in the accounts of this system that are originally stated in terms of foreign currency or that arise from contracts stated in terms of such foreign currency shall be recorded at the rate of exchange effective at the date as of which the original transaction occurs. (For the purposes of this system of accounts a contractual common denominator, such as the gold franc, shall be viewed as a unit of foreign currency, irrespective of the facts regarding actual monetary circulation.)

(b) Gains or losses due to the difference in the rate of exchange developing between the date of the original transaction referred to in paragraph (a) and the date of realization, liquidation, or settlement in cash or its equivalent, shall be credited or charged, as appropriate, to account 5140, "Gain or loss on foreign currency exchange." Such differences shall be recorded by stages in the course of monthly restatements of current assets and current liabilities on basis of the latest applicable rates of exchange. Other balance sheet accounts shall not reflect changes prior to cash or equivalent settlement, in the rate of exchange.

§ 35.03-17 Apportioning amounts among accounts including amounts between regulated and nonregulated operations.

(a) When it is necessary to apportion amounts among accounts or subaccounts, the carrier shall be prepared to describe the basis of such apportionment.

(b) The pay and expenses of officers or employees regularly assigned to specific duties who perform incidental services of a different nature involving small expense shall be included in the expense accounts appropriate for the duties to which such officers or employees are regularly assigned.

(c) The pay and expenses of officers or employees engaged in activities of a varying nature, such as an engineer who may be assigned to supervise construction, maintenance, or operations work, shall be included in the appropriate accounts upon the basis of the actual time devoted to the respective classes of work, except that the pay and expenses of an officer or employee who performs substantially the same variety of duties from day to day may be distributed upon the basis of a study of the time actually devoted by him to these duties during a representative period.

(d) All subject carriers must submit detailed allocation procedures by account to be used to separate those costs incurred by the carrier that are common to both the carrier's operations and its affiliates's operations or common to both the carrier's regulated and nonregulated operations. These procedures and any revisions must be filed with the Commission 90 days prior to their implementation. Unless notified within 90 days by the Commission of its objections, the procedures will become the basis for the allocation of common costs between regulated and nonregulated activity. (See §§ 35.1625 and 35.1749.)

[28 FR 13147, Dec. 5, 1963, as amended at 48 FR 45086, Sept. 30, 1983]

§ 35.03-18 Transactions involving joint operations.

(a) In accounting for operating expenses incurred under arrangements for apportionment between the persons concerned, the creditor shall show the distribution of the charges in its bills and such distribution shall be adhered to in the accounts of any debtor to which this system of accounts is applicable.

(b) Any amounts included in the settlement representing return on investment in the plant used under joint-operation arrangements shall be charged or credited, as the case may be, to the appropriate rent-expense account or to the appropriate rent-revenue account.

§ 35.03-19 Transactions involving interchange of traffic.

(a) A traffic-settlement account shall be maintained with each communication carrier with which traffic is interchanged (separately from the accounts maintained for other transactions with such carriers) and there shall be included in each such account both (1) amounts representing the accounting carrier's portion of revenues receivable from interchange of traffic with the respective carrier and (2) amounts representing the accounting carrier's obligation to such other carrier for traffic interchanged with it. (See also § 35.31-3.)

(b) In stating the balance sheet, the total of the debit balances remaining in these traffic-settlement accounts that have net debit balances shall be reported in account 1742, "Traffic settlements receivable from affiliates," and account 1752, "Traffic settlements receivable," as appropriate, and the total of the credit balances remaining in these traffic-settlement accounts that have net credit balances shall be reported in account 2122, "Traffic settlements payable to affiliates," and account 2132, "Traffic settlements payable," as appropriate.

§ 35.03-20 Commissions.

(a) Commissions are amounts payable to a person acting as agent for the accounting carrier for service rendered, or amounts receivable by the accounting carrier for services rendered as agent of another person, whether such amounts are computed on a percentage basis or on a fixed unit rate.

(b) Commissions for terminal services in originating and terminating messages or similar communication services rendered to the carrier by other communication carriers, transportation companies, hotels, service stations, or other persons not employees of the carrier shall be included in account 4273, "Terminal commission charges."

(c) Commissions for services rendered by employees shall be included in the operating-expense account appropriate for the compensation of such employees.

(d) Commissons for terminal services rendered by the carrier to other carriers shall be included in account 3350, "Terminal commissions," particularly when such amounts are the result of operating agreements that provide a substantial source of revenue. Inconsequential amounts receivable for terminal services rendered to other carriers, particularly when there is no element of profit involved, may be included in account 4275, "Terminal commissions; expense credit."

§ 35.03-21 Transactions involving leased property.

(a) When, under the terms of a lease, the carrier obtains exclusive possession of a substantially complete operating system or operating unit, the following information applicable to such plant shall be obtained from the lessor:

Date of installation.
Original cost.
Estimated service life.
Estimated cost of removal.
Estimated salvage value.
Depreciation accrued by the lessor to effective date of leasing agreement.

Such information shall be made the basis of the memorandum records required under the provisions of § 35.1-5(h).

(b) When, under the terms of a lease, the carrier as lessor surrenders exclusive possession of a substantially complete operating system or operating unit, the information enumerated in paragraph (a) of this section shall be furnished to the lessee. The cost of such property shall be recorded in the accounts of the lessor as provided in §§ 35.1100 and 35.1-1.

(c) When, under the terms of a lease, improvements made by the lessee revert to the lessor and constitute a part of the consideration paid for the use of the plant, the cost of such improvements shall be included in the appropriate plant accounts of the lessor and in account 1815, "Prepaid rents," in the accounts of the lessee, and shall be otherwise accounted for as provided in § 35.1-5(b).

(d) Depreciation of the leased property shall be accounted for as provided in § 35.1-5 (d) and (e) and in § 35.30-3 (b), (c), and (d). (See also §§ 35.1515, 35.1520, 35.2225, 35.2230, 35.4910, and 35.4915.)

INSTRUCTIONS; DEPRECIATION ACCOUNTING

§ 35.04-1 Classes of depreciable operated plant.

The classes of depreciable operated plant and the plant accounts in which the cost of such plant is includible are as follows:

Land used for right of way (account 11).
Land improvements (account 14).
Buildings (account 15).
Outside communication lines (accounts 21 to 39, inclusive).
Inside communication plant (accounts 41 to 59, inclusive).
Office and messenger equipment (accounts 61 to 69, inclusive).
Work equipment (accounts 71 to 79, inclusive).

NOTE A: Special instructions are provided for the accounting for the depreciation on messenger uniforms. (See particularly note B to § 35.65.)

NOTE B: Depreciation charges on work equipment are includible in the appropriate clearing accounts.

§ 35.04-2 Computation of depreciation rates.

(a) Annual depreciation rates applicable to the cost of each class or subclass of depreciable plant shall be established on the basis of the estimated service values and service lives developed by a study of the carrier's history and experience and such engineering and other information as may be available with respect to prospective future conditions, but shall not include any allowance for loss in service value of property expected to be acquired in the future. These percentage rates shall be such that the loss in service value of plant, except losses excluded under the definition of depreciation, shall be accounted for under the straight-line method of depreciation accounting.

(b) The carrier shall keep such records of plant and plant retirements as will reflect the service life of plant that has been retired or will permit the determination of service-life indications by mortality, turnover, or other appropriate methods and also such records as will reflect the percentage of net salvage value for plant retired from each class of depreciable plant.

(c) When, with respect to any class or subclass of plant, the rate of depreciation previously applied in the accounts is no longer applicable for any reason, the carrier shall take such steps as are required (see § 43.43 of this subchapter) to put into effect at the earliest practicable date such new depreciation rate (computed as provided in paragraph (a) of this section) as is then appropriate to give recognition to the currently estimated total service-life and net-salvage factors. However, a carrier, upon receiving prior approval from the Commission or, upon prescription by the Commission, shall apply such depreciation rate as will amortize the difference between the net book cost of a class or subclass of plant and its estimated net-salvage value during the known or estimated remaining service life of that plant. Any carrier which, at the effective date of this rule, is applying the remaining-life method of depreciation accounting may continue to do so unless otherwise directed by the Commission.

(d) The Commission's preference is that depreciation rates and charges be calculated by application of a generally accepted group method applied in a manner to accomplish a straight-line allocation of service value. However, a carrier, upon receiving prior approval from the Commission or, upon prescription by the Commission, may apply depreciation rates determined by use of other methods or allocation patterns.

[28 FR 13147, Dec. 5, 1963, as amended at 46 FR 9110, Jan. 28, 1981]

§ 35.04-3 Depreciation charges.

(a) The current depreciation charges applicable to operated plant, the cost of which is includible in account 1000, "Operated plant in carrier's service," and account 1200, "Improvements and replacements of operated plant leased from others," shall be determined by applying monthly to the amounts in each account or subaccount one-twelfth of the annual percentage rate, determined in accordance with § 35.04-2 as applicable thereto. Such amounts shall be recorded monthly in account 4910, "Depreciation," or in the clearing accounts as appropriate, and corresponding credits shall be recorded in account 1515, "Allowance for depreciation; wire-telegraph and ocean-cable plant." (See also § 35.03-21.)

(b) When, under the terms of a lease, the carrier, as lessor, is required to replace or to restore the condition of operated plant the cost of which is includible in account 1100, "Operated plant leased to others," the current depreciation charges shall be recorded monthly in account 5010, "Income from operated plant leased to others," and corresponding credits shall be recorded in account 1515, "Allowance for depreciation; wire-telegraph and ocean-cable plant." (See also § 35.30-3.)

(c) When, under the terms of a lease, the carrier, as lessee, is required to replace or to restore the condition of operated plant leased from others, depreciation charges with respect to such original leased plant shall be computed and applied as provided in § 35.1-5(d).

(d) Depreciation charges initially accounted for by the lessor shall be reported to and accounted for by the lessee as provided in § 35.30-3(c).

§ 35.04-4 Extraordinary retirements.

The initial accounting for the retirement of operated plant for causes not contemplated in prior allowances for depreciation shall be as provided in § 35.1-6. If retirement losses are covered by commercial insurance, the amounts recovered therefrom shall be credited to account 1515, "Allowance for depreciation; wire-telegraph and ocean-cable plant." If retirements occasion losses for which provision has been made in account 2215, "Provisions for self-carried insurance," the amounts of such losses shall be charged to that account and credited to account 1515 to the extent of the amounts so provided. To the extent that the loss is not covered by insurance the carrier may, upon approval by the Commission, credit account 1515 and charge account 1910, "Extraordinary maintenance, depreciation, and retirements," with the unprovided-for loss in service value, and distribute it from the latter account to account 4925, "Extraordinary plant losses," over such period as the commission may approve or direct. The carrier's application to the Commission for permission to charge account 1910 shall give particulars concerning the plant retired, the unprovided-for service loss, and the period over which, in the carrier's judgment, such charges should be distributed.

§ 35.04–5 Plant retired compensated for by termination charges.

When charges for terminations of service are made which are designed to recover a loss in service value resulting therefrom a charge to account 4925, "Extraordinary plant losses," shall be made as provided for in paragraph (b) of that account.

INSTRUCTIONS FOR CLASS B CARRIERS

§ 35.05–1 Primary operating-revenue accounts for class B carriers.

Class B carriers shall keep all the operating-revenue accounts prescribed for class A carriers that are applicable to their affairs, except that they may keep the following accounts in lieu of the nontransmission revenue accounts:

3400 *Wire-telegraph nontransmission revenues.* This account shall include the carrier's portion of revenues from wire-telegraph operations other than transmission. It shall include all the operating revenues includible by class A carriers in accounts 3410 to 3499, inclusive.

3800 *Nontransmission revenue.* This account shall include the carrier's portion of revenue from communication operations other than transmission. It shall include all the operating revenue includible by class A carriers in accounts 3810 to 3899, inclusive.

§ 35.05–2 Primary operating-expense accounts for class B carriers.

Class B carriers shall keep all the operating-expense accounts prescribed for class A carriers that are applicable to their affairs, except that certain accounts may be combined as follows:

4210 *Compensation of conducting-operations employees.* This account shall include the amounts of compensation of employees engaged in conducting operations. It shall include all the amounts includible by class A carriers in accounts 4211 to 4219, inclusive.

4260 *Operating rents.* This account shall include the amounts of expenses incurred as rents for the use of operating property. It shall include all the amounts includible by class A carriers in accounts 4261 to 4269, inclusive.

4290 *Other conducting-operations expenses.* This account shall include the amounts of expenses incurred in conducting operations not provided for elsewhere. It shall include all the amounts includible by class A carriers in accounts 4221 to 4259, inclusive, and accounts 4271 to 4299, inclusive.

4300 *General expenses.* This account shall include the general expenses of the carrier. It shall include all the expenses includible by class A carriers in accounts 4311 to 4399, inclusive.

4400 *Administrative expenses.* This account shall include the administrative expenses of the carrier. It shall include all the expenses includible by class A carriers in accounts 4410 to 4499, inclusive.

REPORTING REQUIREMENTS

§ 35.06–1 Provisions that require the specific approval of the Commission before the accounting is performed.

(a) Specific authority shall be obtained from the Commission before charges representing unprovided-for losses in service value are entered in account 1910, "Extraordinary maintenance, depreciation, and retirements." (See § 35.04–4.)

(b) The plan of accounting proposed to record the exchange of securities issued or assumed by the carrier shall be submitted to the Commission for consideration and approval prior to the recording of the journal entries applicable thereto. (See § 35.10–8.)

(c) The plan of accounting proposed to record (1) the issuance of no-par capital stock, (2) the appropriation of surplus for transfer to the no-par capital-stock account, (3) the reduction of capital surplus through the use of the no-par capital-stock account, or (4) the reduction of the amount in account 2410, "Capital stock issued," through the creation of surplus or the reduction of the book value of assets, shall be submitted to the Commission for consideration and approval prior to the recording of the journal entries applicable thereto. (See § 35.10–9(c).)

(d) Specific authority shall be obtained from the Commission if, in connection with the refinancing of an issue or series of bonds or other long-term debt, the carrier desires to amortize any of the discount, expense, or premium associated with the issuance or redemption of the prior issue over a period subsequent to the date of its redemption. (See § 35.10–14 (f).)

(e) Specific authority shall be obtained from the Commission before the carrier disposes of amounts entered in account 1510, "Plant-acquisition adjustments." (See §§ 35.1510(d), 35.1520(b), 35.4920 and 35.5255.)

(f) Specific authority shall be obtained from the Commission before charges are made to any account other than account 6120, "Extraordinary current income charges," to create a credit balance, as at the effective date of this system of accounts, in account 1520, "Allowance for amortization; wire-telegraph and ocean-cable plant," equal to the expired service value of certain intangibles. (See § 35.1520(c).)

(g) Amounts included in account 1545, "Plant adjustments," shall not be disposed of except upon the specific approval or direction of the Commission. (See § 35.1545(b).)

(h) Carriers desiring to change the optional procedure adopted for recording foreign investments and foreign income shall submit notice thereof to the Commission for its consideration and approval at least 90 days before the proposed effective date of such change. (See §§ 35.1599(d) and 35.5089(d).)

(i) Specific authority shall be obtained from the Commission before charging any account other than account 6120, "Extraordinary current income charges," with amounts included in account 1935, "Preliminary survey and investigation charges," applicable to projects that have been abandoned when such costs are borne by the carrier. (See § 35.1935(a).)

(j) Specific authority shall be obtained from the Commission before using account 2220, "Provisions for equalization of maintenance expenses," and account 4180, "Maintenance-expense equalization." (See §§ 35.2220 (a) and 35.4180.)

(k) Specific authority shall be obtained from the Commission before transferring any amounts credited to account 2515, "Contributions of plant," to another account. (See § 35.2515(b).)

(l) The accounting with respect to the acquisition of duplicate and other plant from predecessors, which is intended to be retired by the carrier in the reconstruction of the acquired plant or in its consolidation with the previously owned property, shall be submitted to the Commission for consideration and approval. (See § 35.1-2(e).)

(m) Specific authority shall be obtained from the Commission before there is included in construction cost any interest covering a period of more than 6 months from the date of suspension of construction work. (See § 35.1-3(c)(8).)

(n) Balances transferred to account 1999, "Other deferred charges," and account 2399, "Other deferred credits," after settlements with lessees upon the termination of leases shall not be disposed of except upon the specific approval of the Commission. (See § 35.1-5(g).)

(o) Amounts included in account 2225, "Provisions for depreciation and replacement of operated plant leased from others," and account 2230, "Leased operated plant retired," with respect to expired leases shall not be disposed of except upon the specific approval or direction of the Commission. (See § 35.1-6(k).)

(p) Each carrier that has adopted the accrual plan of accounting for pensions shall make no change in the accounting therefor or in the method of computing the amounts of the accruals without first submitting full particulars of the proposed changes and a detailed statement of the reasons therefor to the Commission for its consideration and approval. (See § 35.4327(d).)

(q) Accruals charged to account 4327, "Relief and pensions," to provide for the payment of termination allowances or similar benefits shall be made only after the approval by the Commission of the carrier's plan for administering such payments and of the amounts of the accruals therefor. (See § 35.4327(f).)

(r) Specific authority shall be obtained from the Commission before the carrier transfers any amounts charged to account 9011, "Research and development clearing account," that are applicable to projects that have been abandoned to any account other than account 6120, "Extraordinary current income charges," when such costs are borne by the carrier. (See § 35.9011(b).)

(j) Specific authority shall be obtained from the Commission before the elimination of or substitution for retirement units. (See § 35.1-6-1 (b).)

§ 35.06-2 Provisions that require certain special reports to be filed.

(a) A statement indicating the nature and purpose of subdivisions of the prescribed accounts, of experimental accounts, of temporary accounts, and of additional clearing accounts that have been opened in the books of account shall be filed with the Commission within 90 days of the effective date of this system of accounts. The carrier shall continue to keep the Commission informed of all the additional accounts or subaccounts of these types that are subsequently opened. (See § 35.03-5(c).)

(b) Copies of the journal entries recorded to effect the transfers of balances carried in the accounts previously maintained by the carrier, and a detailed statement of the method used in computing estimated cost, shall be submitted to the Commission within 90 days from the dates of the actual entries. (See § 35.03-6.)

(c) A statement showing the full particulars concerning any relatively large delayed item included in account 6210, "Delayed income credits," or account 6220, "Delayed income charges," shall be filed with the Commission not later than the date of filing its next annual report to the Commission. (See § 35.03-13.)

(d) A transcript of the capital-surplus accounts, together with a summary statement of the charges and credits, maintained prior to the effective date of this system of accounts shall be filed with the Commission within 90 days of the effective date of this part. (See § 35.10-10(c).)

(e) Carriers electing to use account 1599, "Foreign investment in communication plant," and account 5089, "Income from foreign operations," shall advise the Commission of that fact at least 60 days before the effective date of this system of accounts. (See §§ 35.1599(d) and 35.5089(d).)

(f) Not later than January 1, 1946 each carrier shall have submitted to the Commission the entries it proposes to make to carry out the reclassification of its plant in accordance with the accounts prescribed in this system of accounts. (See § 35.1-1(f).)

(g) Not later than January 1, 1946 each carrier shall have submitted to the Commission a comparative balance sheet showing, as at January 1, 1943, the amounts includible in the respective accounts prescribed in this system of accounts (1) before and (2) after effect has been given to the proposed entries relating to the reclassification of the plant. (See § 35.1-1(f).)

(h) Copies of the journal entires recording the acquisition of certain major properties shall be submitted to the Commission within 90 days from the dates of the actual entries. (See § 35.1-2(h).)

(i) Copies of the journal entries recording the completion of the prescribed accounting for plant acquisitions shall be submitted to the Commission within 90 days from the date that the clearing entries relating to each acquisition are made. Within 90 days from the date of any entry recording an acquisition, the carrier shall submit to the Commission a statement indicating the approximate date contemplated for the completion of the clearing entries relating thereto. (See particularly §§ 35.1-2(h) and 35.91(b).)

(j) Not later than June 30, 1943, each carrier shall submit to the Commission for consideration and approval a complete plan for the establishment and maintenance of a continuous property-record. (See § 35.1-8(b).)

(k) Before adopting the accrual plan of accounting for pensions the carrier shall inform the Commission of the details of its pension plan and related matters. (See § 35.4327(d).)

(l) A report shall be submitted to the Commission annually with respect to retirement units in accordance with the provisions of § 35.1-6-1(d).)

BALANCE-SHEET ACCOUNTS

INSTRUCTIONS

§ 35.10-1 Purpose of balance-sheet accounts.

The balance-sheet accounts are designed to show the financial position of the carrier as at a given date.

§ 35.10-2 Current assets.

(a) Current assets are cash, those assets that are readily convertible into cash or are held for current use in operations or construction, current claims against others the settlement of which is reasonably assured, and amounts accruing to the carrier that are subject to current settlement, except that bonds and other obligations of others classified by the carrier in investment and fund accounts at the time of acquisition shall remain so classified until the date of payment, sale, or other disposition thereof.

(b) There shall not be included in the group of accounts designated as current assets any item the collectibility of which is not reasonably assured unless adequate allowance has been made therefor in account 1765, "Allowance for uncollectible receivables." Items of current character but of doubtful value may be reduced in amount and, for record purposes, carried in these accounts at nominal value. The amounts of such reductions, or the amounts provided by credits to account 1765, shall be charged to account 4935, "Uncollectible revenues," account 5299, "Other deductions from ordinary income," or account 6120, "Extraordinary current income charges," as appropriate.

§ 35.10-3 Prepayments.

(a) Prepayments are amounts paid by the carrier for services to be rendered by others during a subsequent accounting period.

(b) When an advance payment is made, the appropriate prepayment account shall be charged with the amount of such payment. As the term expires for which the advance payment was made the prepayment account shall be credited (at monthly intervals) and the appropriate expense account or other account shall be charged with the proportionate amount applicable thereto.

§ 35.10-4 Deferred charges.

Deferred charges are amounts representing (a) debit items held in suspense pending determination of their actual status, (b) costs of services that have been rendered to the carrier but are chargeable to future operations, and (c) items which for other reasons are allocable to other appropriate accounts for a future period or a succession of future periods.

§ 35.10-5 Current liabilities.

(a) Current liabilities are those obligations that have become matured at the date of the balance sheet or that will become due within 1 year from the date thereof (except bonds, receivers' and trustees' securities, and similar obligations, which shall be classified as long-term debt until the date of maturity); accrued taxes, such as income taxes, which shall be classified (in the balance sheet) as current liabilities even though payable more than 1 year from the balance-sheet date; and minor amounts payable in installments, which may be classified as current liabilities.

(b) The liability-accrual accounts shall include the amounts of interest, taxes, rents, and other items (other than unpaid wages) with respect to which amounts eventually payable have been recorded as deductions from revenue or income but which have not matured. (See also § 35.03-14.)

(c) Excepting amounts includible in account 2115, "Customers' deposits," or in account 2155, "Advance billings," (for which provision is made in section 4935, "Uncollectible revenues"); amounts that have been included in the several primary accounts for current liabilities (accounts 2101 to 2160, inclusive) or have been represented by outstanding checks or similar instruments for a period of 2 years or more because of inability to identify or locate the payee may (in the absence of statutory provision to the contrary) be written down, or reinstated in account 1710, "Cash," and credited to account 6110, "Extraordinary current income credits": *Provided*, That nominal amounts (one item representing each class of liability) shall thereafter be included in an appropriate subaccount of account 2199, "Other current liabilities." The entry recording the nominal amount, representative of a particular class of liability, as a credit to account 2199 shall contain a description of the records in which are entered the pertinent facts concerning all the items of that particular class that have been written off. Subsequent journal entries accomplishing further write-offs of, or cash reinstatements relating to, the same class of liability shall make reference to such original entry or to the records referred to therein.

§ 35.10–6 Long-term debt.

(a) When evidences of debt that, according to their terms, do not mature until more than 1 year from date of issuance are issued or assumed by the carrier or by a receiver or an operating trustee of the carrier, the face amount of such evidences of debt shall be recorded in the appropriate account listed under the group caption "Long-term debt." (See also § 35.10–14.)

(b) If a liability, other than minor amounts payable in installments, is due more than 1 year from date of issuance or assumption by the carrier, it shall be credited to a long-term debt account appropriate for the transaction, but, for the purpose of classification in the balance sheet, a debt (except bonds, receivers' and trustees' securities, and similar obligations) shall be classified as a current liability if due within 1 year from the balance-sheet date.

§ 35.10–7 Book cost of securities owned.

(a) Securities of others acquired by the carrier shall be recorded in these accounts at cost. Such cost shall not include any amount paid for dividends or for interest accrued.

(b) The carrier's records shall be so maintained as to show separately the cost of (1) common stock, (2) preferred stock, and (3) long-term debt.

(c) The carrier's records shall be so maintained that in the reports to the Commission the securities, classified as in paragraph (b) of this section, that are pledged as collateral security for any of the carrier's or other persons' long-term debt or short-term loans or to secure the performance of contracts may be shown separately from the securities, similarly classified, that are unpledged.

(d) There shall not be included in the accounts designated as investment and fund accounts any amount the ultimate realization of which is not reasonably assured unless adequate allowance has been made therefor in account 1699, "Allowance for doubtful investments." The book cost of securities includible in such accounts shall be reduced to a nominal amount if there is no reasonable prospect of substantial value, but fluctuations in market value shall not be recorded in the accounts. Amounts by which these securities are thus reduced, or amounts provided by credits to account 1699, shall be charged to account 6120, "Extraordinary current income charges."

(e) When securities authorized by State laws for inclusion in legal-reserve funds required by such laws, and in other similar fiduciary funds requiring a qualification for the investment thereof, and with a fixed maturity date (other than securities issued or assumed by affiliates), are purchased at a discount (i.e., when the total cost including brokerage fees, taxes, commissions, and similar costs is less than the face amount of the securities), such discount shall be amortized over the remaining life of the securities through periodic charges to account 1698, "Amortized discount and premium on investment securities," and credits to the account in which is recorded the interest from such securities.

(f) When any securities with a fixed maturity date are purchased at a premium (i.e., when the total cost including brokerage fees, taxes, commissions, and similar costs is in excess of the face amount of the securities), such premium shall be amortized over the remaining life of the securities through credits to account 1698 and charges to the account in which is recorded the interest from such securities.

(g) No amount shall be entered for amortization of discount or premium on securities with respect to which a reduction in book cost or a provision for doubtful value has been made. Any amounts in account 1698 representing the amortization of discount or premium on securities with respect to which a reduction in book cost or a provision for doubtful value is made shall be cleared by charges or credits, as appropriate, to the account in which is recorded the interest from such securities. (See particularly paragraphs (d), (e), and (f) of this section; also §§ 35.03-13 and 35.03-15.)

(h) If securities actually issued or assumed by the carrier and reacquired by it are not retired, they shall be entered at book amount in account 2015, "Bonds reacquired," or account 2415, "Capital stock reacquired," as appropriate, unless it is required by contractual provision or by the decision of a trustee not subject to control by the carrier that they be retained in debt-redemption or other funds. When so retained they shall be regarded and treated as actually outstanding, but not otherwise.

(i) When entries are made in account 2415, "Capital stock reacquired," recording the reacquisition of capital stock, entries shall concurrently be made charging account 8315, "Earned surplus employed in reacquisition of capital stock," and crediting account 2615, "Reserve against impairment of stated capital," with amounts equal to the amount charged to account 2415. Upon the resale or retirement of such stock these latter entries shall be reversed.

§ 35.10-8 Exchange of securities.

Before recording the journal entries that it is proposed to enter in the carrier's books to record the reacquisition of capital stock or other securities issued or assumed by the carrier under a plan for the issuance in exchange therefor of other securities of the carrier, a statement indicating the plan of accounting proposed by the carrier shall be submitted to the Commission for consideration and approval. Such statement shall give complete information concerning the plan of exchange, the basis upon which the amounts have been determined, and a copy of the authorization issued by the regulatory body approving the plan.

§ 35.10-9 Capital stock.

(a) All transactions relating to the capital stock of the accounting carrier shall be recorded by class of stock. Stocks are of the same class only when they are issued under identical terms as to all of the following: par value, stated value, preferences in the distribution of dividends and assets, voting rights, and conditions under which the stock may be retired. If the capital stock of the carrier is of two or more classes, the carrier's records shall be so maintained as to distinguish the amount applicable to each class in each of the following accounts:

1775 Subscriptions to capital stock.
1780 Deposits on subscriptions to capital stock.
1915 Capital-stock expense.
1925 Discount on capital stock.
2160 Liability on installment-plan sales of capital stock.
2410 Capital stock issued.
2415 Capital stock reacquired.
2420 Capital stock subscribed; unissued.
2425 Obligations for stock conversion.
2510 Premium and assessments on capital stock.

(b) When, by compliance with the laws of the State under which it is incorporated, a carrier is authorized to issue shares of capital stock, a memorandum entry in account 2410, "Capital stock issued," shall be made showing the number of shares, the par or the stated value of each share, and the total authorized capitalization.

(c) Before recording the journal entries that it is proposed to enter in the carrier's books to record (1) the issuance of no-par capital stock, (2) the appropriation of surplus for transfer to the no-par capital-stock account, (3) the reduction of capital surplus through the use of the no-par capital-stock account, or (4) the reduction of the amount in account 2410, "Capital stock issued," through the creation of surplus or the reduction of the book value of assets, the plan of accounting shall be submitted to the Commission for consideration and approval. Such plan shall be accompanied by a statement giving complete information with respect to the basis upon which the amounts to be recorded have been determined and a copy of the authorization issued by the regulatory body approving the issuance of no-par stock or the change in the capital-stock and surplus accounts.

(d) When capital stock which has been actually issued by the carrier is reacquired, the difference between (1) the amount paid therefor upon reacquisition and (2) the book amount plus the premium or less the discount and expense originally entered in respect thereto and not charged off shall be charged or credited, as appropriate, to account 2599, "Other capital surplus": *Provided, however,* That such charges shall be made to account 8299, "Miscellaneous charges to earned surplus," to the extent that the amounts thereof exceed the balance in account 2599 applicable to capital stock of the same class.

(e) The carrier's records shall be so maintained that in reports to the Commission there may be shown the extent to which the surplus accounts have been charged or credited in instances in which there is a possibility of further entry in those accounts in the event of the resale of reacquired capital stock.

(f) When capital stock that has been reacquired by the carrier is resold, the difference between (1) the amount derived from the resale, less the costs incidental thereto, and (2) the book amount of such stock shall be charged or credited, as appropriate, to account 2599, "Other capital surplus": *Provided, however,* That such charges shall be made to account 8299, "Miscellaneous charges to earned surplus," to the extent that the amounts thereof exceed the balance in account 2599 applicable to capital stock of the same class: *And provided further,* That if account 8299 has been charged with amounts arising from the reacquisition of such stock, there shall be included in account 8199, "Miscellaneous credits to earned surplus," the credit balance (not in excess of the amount previously charged to account 8299 with respect to reacquisition of stock of the same class) arising from the resale of such stock.

§ 35.10–10 Surplus.

(a) The accounts designated as capital-surplus accounts are designed to show (1) paid-in surplus (i.e., proprietary contributions in excess of the stated capital included in the capital-stock accounts), (2) donated surplus (including (i) surplus created by donations of stock or assets by proprietary interests and (ii) contributions of assets or forgiveness of debt by others), (3) surplus arising from reacquisition or resale of, or otherwise trading in, the carrier's own capital stock, and (4) surplus arising from the reduction of the stated value of capital stock due to such occasions as retirement, reorganization, or recapitalization.

(b) The balance-sheet accounts designated as earned-surplus accounts are designed to show the accumulated undistributed surplus derived from the normal operations of the carrier and from all sources (including sales of fixed assets) other than those sources referred to in paragraph (a) of this section.

(c) Within 90 days from the effective date of this system of accounts the carrier shall submit to the Commission a transcript of its capital-surplus account or accounts covering the entire period to the effective date of this system of accounts showing in detail the nature and amounts of charges and credits, respectively, and the balance that was or, if it had always been maintained, would have been in the account at the close of each year. The transcript shall be accompanied by a summary statement in which the charges and credits for the entire period covered by the transcript have been classified according to their nature and summarized to show the aggregate amount of each such classification as well as the aggregate amount of charges and credits, respectively, for the period and the resulting balance in the account or accounts at the effective date of this system of accounts.

§ 35.10–11 Provisions for future settlements.

When in anticipation of settlements or similar transactions it is required that certain amounts shall be charged to operating expenses or other accounts without a corresponding reduction in the assets of the carrier, such amounts shall be credited to the appropriate account listed under the group caption "Provisions for future settlements." The credit balances in these accounts should indicate the estimated amounts of future settlements or other extinguishments subsequent to the date of the balance sheet with respect to amounts allocable to periods prior to that date.

§ 35.10-12 Deferred credits.

Deferred credits are amounts representing (a) credit items held in suspense pending determination of their actual status and (b) obligations (e.g., unamortized premium on debt) that have been incurred but are applicable to future operations or income. (See also § 35.31-2(c).)

§ 35.10-13 Discount, expense, and premium on capital stock.

(a) An account shall be maintained for each class of capital stock issued by the carrier (separately from the capital-stock accounts) and there shall be included in each such account both the discount and the premium associated with the issuance and sale of (exclusive of the sale of reacquired stock), or the subscription to, each such class of stock.

(b) Stock expense shall not be added to discount, or deducted from premium, on capital stock, but shall be included in account 1915, "Capital-stock expense." Such expense may be charged off to account 6120, "Extraordinary current income charges," in total or in installments, or the amount thereof may be retained in account 1915 until the stock to which the expense applies is reacquired.

(c) Only in stating the balance sheet, the total of the debit balances remaining in the discount and premium accounts shall be reported under account 1925, "Discount on capital stock," and the total of the credit balances shall be reported under account 2510, "Premiums and assessments on capital stock." Accounts with debit balances shall not be offset by accounts with credit balances.

(d) General levies or assessments against stockholders shall be credited to the discount and premium account for the particular class of stock assessed.

(e) Discount or premium on capital stock issued shall be retained in the discount and premium account until the stock is reacquired unless other disposition of such discount or premium is required by statutes to which the carrier is subject, except that inconsequential amounts of discount that would not appreciably affect the accounts may be charged off to account 8299, "Miscellaneous charges to earned surplus."

§ 35.10-14 Discount, expense, and premium on long-term debt.

(a) An account shall be maintained for each issue or series of long-term debt issued or assumed by the carrier (separately from the long-term debt accounts) and there shall be included in each such account both the discount and the premium associated with the issuance and sale of (exclusive of the sale of reacquired long-term debt), or the subscription to, each such issue or series of debt.

(b) Debt expense shall not be added to discount, or deducted from premium, on long-term debt, but shall be included in account 1920, "Long-term debt expense."

(c) Only in stating the balance sheet, the total of the debit balances remaining in the discount and premium accounts shall be reported under account 1930, "Unamortized discount on debt," and the total of the credit balances remaining in those accounts shall be reported under account 2310, "Unamortized premium on debt." Accounts with debit balances shall not be offset by accounts with credit balances.

(d) Discount, expense, and premium with respect to each issue or series of long-term debt shall be amortized under such a plan as will equitably distribute the amounts over the life of the securities. The amortization shall be on a monthly basis and the amounts thereof shall be charged to account 5220, "Amortization of debt discount," or account 5245, "Amortization of debt expense," or credited to account 5230, "Amortization of debt premium—Cr.," as appropriate. The carrier may, however, accelerate the writing off of debt expense and extinguish inconsequential amounts of discount (that it would be burdensome to amortize and that would not appreciably affect the accounts) by charges to account 6120, "Extraordinary current income charges." Where there is a definite plan to retire an issue without refunding prior to its maturity date, amortization may be accelerated to extinguish the balance in the discount and premium account at the date of contemplated retirement.

(e) When any long-term debt is reacquired without being converted into another form of long-term debt and when the transaction is not in connection with a refunding operation, the difference between the amount paid upon reacquirement and the book amount plus the unamortized premium or less the unamortized discount, as the case may be, applicable to the debt reacquired, shall be charged to account 6120, "Extraordinary current income charges," or credited to account 6110, "Extraordinary current income credits," as appropriate.

(f) When the redemption of one issue or series of bonds or other long-term obligations is financed by another issue or series before the date of maturity of the prior issue, any unamortized discount, expense, or premium on the prior issue and any premium paid or discount enjoyed upon reacquirement shall be debited or credited, as appropriate, to account 6120, "Extraordinary current income charges," or account 6110, "Extraordinary current income credits": *Provided, however,* That if the carrier desires to amortize any of the discount, expense, or premium associated with the issuance or redemption of the prior issue over a period subsequent to the date of redemption, the permission of the Commission must be obtained.

(g) Discount, expense, or premium on long-term debt shall not be included in the cost of constructing or acquiring plant, except as provided in § 35.1-3 (c)(8).

(h) The carrier's records shall be so maintained that in the reports to the Commission there may be shown the extent to which the income accounts have been charged or credited in instances in which there is a possibility of further entry in those accounts in the event of the resale of reacquired long-term debt.

§ 35.10-15 Irrevocable trusts.

Funds relinquished from the control of the carrier that are irrevocably devoted to the establishment or continuation of any trust or fiduciary fund (such as pension or similar funds) shall not be included as items in the balance sheet, but their existence shall be indicated by an appropriate notation thereon showing the amount of such funds.

§ 35.10-16 Contingent assets and liabilities.

In the carrier's reports to the Commission amounts representing contingent assets and contingent liabilities shall not be included as items in the balance sheet, but their existence shall be indicated by an appropriate notation thereon and the particulars shall be shown in detail in a supplementary statement.

§ 35.10-17 Nominally issued securities.

(a) Each carrier shall maintain, in addition to the capital-stock and long-term debt accounts prescribed herein memorandum accounts for securities that have been nominally but not actually issued.

(b) When no-par stock is nominally issued, the number of shares issued shall be shown in the memorandum accounts.

(c) A separate memorandum account, with appropriate title, shall be maintained for each class and issue or series of such securities.

§ 35.10-99 Contemplated form of balance sheet.

(See § 35.03-9.)

BALANCE SHEET

Account No. and Particulars		
ASSET SIDE Communication Plant		
1540 Plant in process of reclassification		$
1545 Plant adjustments		
1000 Operated plant in carrier's service	$	
1100 Operated plant leased to others		
1200 Improvements and replacements of operated plant leased from others		
1300 Plant under construction		
1400 Plant held for future communication use		
1510 Plant-acquisition adjustments		$
Less:		
1515 Allowance for depreciation, wire-telegraph and ocean-cable plant	$	

BALANCE SHEET—Continued

Account No. and Particulars		
1520 Allowance for amortization; wire-telegraph and ocean-cable plant		
		$
1530 Telephone and radiotelegraph plant	$	
Less:		
1535 Allowance for depreciation and amortization; telephone and radiotelegraph plant		
1599 Foreign investment in communication plant		
Total		$

Investments and Funds

1620 Investments in affiliates	$	
1625 Nonregulated investments		
1629 Other investments		

Particulars

1630 Debt-redemption funds		
1635 Employees' provident funds	$	
1640 Insurance funds		
1645 Miscellaneous funds held by trustees		
1659 Other miscellaneous funds		
	$	
1698 Amortized discount and premium on investment securities	$	
	$	
Less:		
1699 Allowance for doubtful investments		$
Total		$

Current Assets

1710 Cash		$
1715 Special cash deposits		
1720 Working cash advances		
1725 Temporary investments		
1730 Receivables from customers	$	
1742 Traffic settlements receivable from affiliates		
1749 Other receivables from affiliates		

(Receivables from nonaffiliates)

1751 Notes receivable		
1752 Traffic settlements receivable		
1753 Matured interest receivable		
1754 Declared dividends receivable		
1755 Matured rents receivable		
1759 Other accounts receivable		
	$	
Less:		
1765 Allowance for uncollectible receivables		$
1770 Unmatured accrued receivables		
1775 Subscriptions to capital stock	$	
Less:		
1780 Deposits on subscriptions to capital stock		
1785 Subscriptions to bonds	$	

BALANCE SHEET—Continued

Account No. and Particulars		
Less:		
1790 Deposits on subscriptions to bonds		$
1795 Material and supplies		
1799 Other current assets		
Total		$

Prepayments

1810 Prepaid insurance		$
1815 Prepaid rents		
1820 Prepaid taxes		
1899 Other prepayments		
Total		$

Deferred Charges

1910 Extraordinary maintenance, depreciation, and retirements		$
1915 Capital-stock expense		
1920 Long-term debt expense		$
1925 Discount on capital stock		
1930 Unamortized discount on debt		
1935 Preliminary survey and investigation charges		
1940 Debit balances in clearing accounts		
1999 Other deferred charges		
Total		$
Total—Asset side		$

LIABILITY SIDE

Long-Term Debt

2010 Bonds actually issued	$	
Less:		
2015 Bonds reacquired		$
2020 Bonds subscribed; unissued		
2025 Receivers' and trustees' securities		
2030 Advances from affiliates		$
2099 Other long-term debt		
Total		$

Current Liabilities

2101 Unpaid wages		$
2111 Liability for tax collections	$	
2113 Unpaid money-orders		
2115 Customers' deposits		
2120 Matured long-term debt		
2122 Traffic settlements payable to affiliates		
2129 Other payables to affiliates		

(Payables to nonaffiliates)

2131 Notes payable		
2132 Traffic settlements payable		
2133 Matured interest payable		
2134 Dividends payable		
2135 Matured rents payable		
2139 Other accounts payable		
2155 Advance billings		

BALANCE SHEET—Continued

Account No. and Particulars		
2160 Liability on installment-plan sales of capital stock		
(Liability accruals)		
2164 Dividends declared	$	
2165 Interest accruals		
2170 Rent accruals		
2175 Tax accruals		
2180 Other liability accruals		$
2199 Other current liabilities		
Total		$
Provisions for Future Settlements		
2210 Provisions for employees' pensions and welfare		$
2215 Provisions for self-carried insurance		
2220 Provisions for equalization of maintenance expenses		$
2225 Provisions for depreciation and replacement of operated plant leased from others		
2230 Leased operated plant retired		
2299 Other provisions for future settlements		
Total		$
Deferred Credits		
2310 Unamortized premium on debt		$
2315 Advances for construction		
2320 Credit balances in clearing accounts		
2399 Other deferred credits		
Total		$
Capital Stock		
2410 Capital stock issued	$	
Less:		
2415 Capital stock reacquired		$
2420 Capital stock subscribed, unissued		
2425 Obligations for stock conversion		
Total		$
Capital Surplus		
2510 Premiums and assessments on capital stock		$
2515 Contributions of plant		
2599 Other capital surplus		
Total		$
Earned Surplus		
Appropriated:		
2610 Contractual reserves	$	
2615 Reserve against impairment of stated capital		
2620 Miscellaneous reserves		$
Unappropriated:		
2699 Unappropriated earned surplus		
Total		$
Total—Liability side		$

[28 FR 13147, Dec. 5, 1963, as amended at 48 FR 45086, Sept. 30, 1983]

PRESCRIBED ACCOUNTS

NOTE: Number to the right of the decimal point is the account number.

Communication Plant

§ 35.1000 Operated plant in carrier's service.

This account shall include the total of the balances in the operated plant accounts applicable to plant owned and used by the carrier in its wire-telegraph and ocean-cable operations, except such plant the cost of which is includible in account 1200, "Improvements and replacements of operated plant leased from others."

§ 35.1100 Operated plant leased to others.

This account shall include the total of the balances in the operated plant accounts applicable to plant owned by the carrier and leased to others as substantially complete operating systems or operating units where the lessee has exclusive possession.

NOTE: When the lessor is given or retains the exclusive privileges to maintain, inspect, and service equipment, to handle and adjust traffic accounts, to perform other similar services, or to designate who may perform such services for the lessee, the lessee will be deemed not to have exclusive possession of the plant, and its cost shall be included in account 1000, "Operated plant in carrier's service."

§ 35.1200 Improvements and replacements of operated plant leased from others.

This account shall include the total of the balances in the operated plant accounts applicable to improvements and replacements of operated plant leased from others.

§ 35.1300 Plant under construction.

(a) This account shall include the cost of construction of plant not completed ready for service. (See also §§ 35.1-2 and 35.1-3.)

(b) When any plant the cost of which is included in this account is completed ready for service, the cost thereof shall be credited to this account and charged to the operated plant accounts, account 1400, "Plant held for future communication use," or other accounts, as appropriate.

§ 35.1400 Plant held for future communication use.

(a) This account shall include the cost of completed plant owned by the carrier and held for future use in communication service under a definite plan.

(b) The amounts included in this account shall be classified in accordance with the titles and texts of the appropriate plant accounts and the account shall be maintained in the same manner and detail as though the plant were in communication service.

§ 35.1510 Plant-acquisition adjustments.

(a) This account shall include the difference between (1) the acquisition cost of plant acquired from predecessors as substantially complete operating systems or operating units and (2) the original cost of such plant less the required allowances for depreciation and amortization of the plant at the date of acquisition. (See particularly § 35.1-2 (c) through (f).)

(b) This account shall be subdivided according to the character of the amounts included herein for each plant acquisition; and further subdivided to show the amounts applicable to operated plant in carrier's service, operated plant leased to others, and plant held for future communication use.

(c) If the actual original cost is not known, the entries in this account shall be based upon an estimate of such cost.

(d) The amounts recorded in this account shall be disposed of in such manner as the Commission may approve or direct.

NOTE: The provisions of this account shall not be construed as approving or authorizing the recording of appreciation of plant.

§ 35.1515 Allowance for depreciation; wire-telegraph and ocean-cable plant.

(a) This account shall be credited with amounts charged to account 4910, "Depreciation," to account 5010, "Income from operated plant leased to others," to account 5299, "Other deductions from ordinary income," and to clearing accounts for currently accruing depreciation of wire-telegraph and ocean-cable plant owned by the carrier; also with amounts charged to account 4925, "Extraordinary plant losses," as provided in paragraph (b) thereof, and with amounts of depreciation applicable to plant contributed to the carrier and to plant acquired from predecessors, as provided in §§ 35.1-2 and 35.1-5(g). (See also §§ 35.04-1, 35.04-2, 35.04-3, 35.04-4, 35.04-5, and 35.30-3.)

(b) As at the effective date of this part, this account shall be credited with such amount as is necessary to create a credit balance herein equal to the estimated sustained depreciation of all depreciable operated plant owned by the carrier at that date. The difference between such amount and the amount previously provided as a depreciation allowance (or reserve) shall, unless otherwise authorized by the Commission, be charged to account 6120, "Extraordinary current income charges."

(c) This account shall be charged with the cost of depreciable plant retired and with the cost of removal of such plant and shall be credited with the net amounts of recoveries, such as from salvage and from insurance. (See §§ 35.1-6 and 35.41-7(c) and (d).)

(d) Each carrier shall maintain records in which the balance in the account shall be segregated into component parts corresponding to the operated plant accounts and subdivisions thereof which include the cost of depreciable operated plant. (See particularly § 35.1-1(e).)

(e) This account shall be subdivided as follows:

1515:01 Allowance for depreciation of operated plant owned and used in carrier's service.

1515:02 Allowance for depreciation of improvements and replacements of operated plant leased from others.
1515:03 Allowance for depreciation of operated plant leased to others.
1515:04 Allowance for depreciation of plant held for future communication use.
1515:05 Allowance for depreciation of messenger uniforms.

(f) The records supporting the entries in each subaccount in this account shall be so maintained that there may be shown separately (1) the amounts of depreciation credited hereto in accordance with the provisions of paragraphs (a) and (b) of this section, (2) the cost of plant retired, (3) the cost of removal of plant retired, and (4) the credits from salvage and insurance recovered.

NOTE: When plant is transferred from one class of communication service to another or from communication service to noncarrier operations, the accounting for the depreciation applicable thereto shall be as provided in § 35.1-7.

§ 35.1520 Allowance for amortization; wire-telegraph and ocean-cable plant.

(a) This account shall be credited with amounts charged to account 4915, "Amortization; intangible operated plant," to account 5010, "Income from operated plant leased to others," and to account 5299, "Other deductions from ordinary income," to provide for the extinguishment of amounts included in accounts 82, "Franchises," 83, "Patent rights," 84, "Leaseholds," 85, "Research and development," and 89, "Other intangibles"; also with amounts of amortization applicable to plant contributed to the carrier and to plant acquired from predecessors, as provided in §§ 35.1-2 and 35.1-5(g). (See also § 35.30-3.) It shall be credited with amounts charged to account 6120, "Extraordinary current income charges," to provide for the extinguishment of amounts included in account 81, "Organization."

(b) This account shall be credited or charged, as appropriate, with amounts authorized or directed by the Commission to be charged or credited to accounts 4920, "Amortization of plant-acquisition adjustments," and 5255, "Amortization of plant-acquisition adjustments," to provide for the extinguishment of amounts included in account 1510, "Plant-acquisition adjustments."

(c) As at the effective date of this part, this account shall be credited with such amount as is necessary to create a credit balance herein equal to the expired service value of intangibles (having a terminable life) the costs of which are includible in accounts 82, "Franchises," 83, "Patent rights," 84 "Leaseholds," 85, "Research and development," and 89, "Other intangibles." The difference between such amount and the amounts previously provided as an amortization allowance (or reserve) shall, unless otherwise authorized by the Commission, be charged to account 6120, "Extraordinary current income charges."

(d) When any franchise, patent right, leasehold, or other intangible item (except one the cost of which is includible in account 85, "Research and development") expires or is sold, relinquished, or otherwise retired from service, the cost thereof shall be credited to the appropriate plant account and this account shall be charged with the amount previously credited hereto with respect to such intangible item. The difference between the foregoing amounts less the proceeds realized at retirement shall be charged to account 6120, "Extraordinary current income charges," or credited to account 6110, "Extraordinary current income credits," as appropriate. The accounting for amounts included herein with respect to plant costs included in account 85 shall be as provided in the text of that account.

(e) The records supporting the entries in this account shall be so maintained as to show the amounts applicable to each intangible item under the following subdivisions:

1520:01 Allowance for amortization of intangibles in carrier's service.
1520:02 Allowance for amortization of intangibles leased to others.
1520:03 Allowance for amortization of plant-acquisition adjustments.
1520:04 Allowance for amortization of intangibles held for future communication use.

§ 35.1530 Telephone and radiotelegraph plant.

This account shall include the amounts of the balances in the plant accounts maintained for telephone and radiotelegraph plant in conformity with the provisions of § 35.03-8(a) and (b).

§ 35.1535 Allowance for depreciation and amortization; telephone and radiotelegraph plant.

This account shall include the amounts of the balances in the allowance accounts maintained for telephone and radiotelegraph plant in conformity with the provisions of § 35.03-8(a) and (b).

§ 35.1540 Plant in process of reclassification.

(a) This account shall be charged temporarily with the book cost of plant (formerly called "Plant and equipment") as at December 31, 1942. The detail or primary accounts prescribed in the Uniform System of Accounts for Telegraph and Cable Companies effective on January 1, 1914, with respect to "Plant and equipment," shall be continued in support of this account pending the reclassification prescribed in this system of accounts, but shall not be used for acquisitions (including additions, replacements, and other new construction) subsequent to December 31, 1942.

(b) Retirements of property included herein as at the effective date of this system of accounts shall be credited to this account and to the supporting primary accounts mentioned above until the reclassification has been accomplished.

(c) When the cost (as defined in this part) of plant included in this account has been determined, this account shall be credited with the book cost thereof (See particularly §§ 35.1000 to 35.1520, inclusive; also §§ 35.1-1 and 35.11 to 35.92, inclusive.)

§ 35.1545 Plant adjustments.

(a) This account shall include the difference between the original cost, estimated if not known, and the book cost of "Plant and equipment" as at the effective date of this system of accounts to the extent that such difference is not properly includible in account 1510, "Plant-acquisition adjustments." Write-ups of property prior to the effective date of this part shall be recorded herein.

(b) The amounts included in this account shall be so classified as to show the nature of each amount (included herein) and shall be disposed of as the Commission may approve or direct.

NOTE: The provisions of this account shall not be construed as approving or authorizing the recording of appreciation of plant.

§ 35.1599 Foreign investment in communication plant.

(a) This account may include the net amount of the acquisition cost of the carrier's communication plant that is located in foreign countries and the related allowances for depreciation and amortization when the detailed amounts are required to be stated in terms of foreign currency or in a manner at variance with the requirements of this part.

(b) A separate subaccount with appropriate title shall be maintained for the plant located in each foreign country.

(c) The records supporting the entries in this account shall be so maintained that, in reports to the Commission, there may be shown the rates of exchange used in translating the amounts into terms of United States currency.

(d) Each carrier that elects to use this account shall advise the Commission of that fact at least 60 days before the effective date of this part. Changes from this elective procedure to the alternative procedure prescribed for domestic plant, or vice versa, shall not be made thereafter without submitting to the Commisson for its consideration and approval notice of the proposed change at least 90 days before the proposed effective date of such change.

Investment and Funds

§ 35.1620 Investments in affiliates.

(a) This account shall include the book cost of the carrier's investment in securities issued or assumed by affiliates, other than securities of affiliates held in special funds or as temporary investments. It shall include the amount of investment advances to affiliates.

(b) The records supporting the entries in this account shall be so maintained as to show each class of investment in each affiliate under the following subdivisions:

1620:01 Investments in securities of affiliates.
1620:02 Investment advances to affiliates.

Note A: The book cost of securities of affiliates owned by the carrier and held in special funds or as temporary investments shall be included in account 1630, "Debt-redemption funds," account 1635, "Employees' provident funds," account 1640, "Insurance funds," account 1645, "Miscellaneous funds held by trustees," account 1659, "Other miscellaneous funds," or account 1725, "Temporary investments," as appropriate.

Note B: Advances to affiliates that are subject to current settlement shall be included in account 1749, "Other receivables from affiliates."

§ 35.1625 Nonregulated investments.

(a) This account shall include the net investment in nonregulated activities when they are not conducted through a separate corporate entity. It shall include all assets and liabilities used exlusively in nonregulated activities including investment in physical property, either in service, under construction or in stock, together with related allowance for depreciation. It shall include the amount of all assessments for the construction of public improvements levied against nonregulated physical property. This account shall include receivables and payables with nonregulated activities that are settled on a current basis. It shall include, as a receivable, costs including taxes incurred on behalf of nonregulated operations, and, as a payable, costs incurred by nonregulated operations, and, as a payable, costs incurred by nonregulated operations on behalf of regulated business. This account shall also reflect net income or loss on nonregulated activity. (See § 35.03-17.)

(b) This account shall be subdivided as follows:

1625:01 Permanent investment.
1625:02 Receivables and payables settled on a current basis.
1625:03 Current net income or loss.

[48 FR 45086, Sept. 30, 1983]

§ 35.1629 Other investments.

(a) This account shall include the book cost of the carrier's investment in securities issued or assumed by nonaffiliates, other than such securities held in special funds or as temporary investments. It shall include the amount of investment advances to nonaffiliates and other investments not provided for elsewhere.

(b) The records supporting the entries in this account shall be so maintained as to show each class of investment includible herein under the following subdivisions:

1629:01 Securities.
1629:02 Investment advances.
1629:99 Other.

Note A: The book cost of securities of nonaffiliates owned by the carrier and held in special funds or as temporary investments shall be included in account 1630, "Debt-redemption funds," account 1635, "Employees' provident funds," account 1640, "Insurance funds," account 1645, "Miscellaneous funds held by trustees," account 1659, "Other miscellaneous funds," or account 1725, "Temporary investments," as appropriate.

Note B: Advances to nonaffiliates that are subject to current settlement shall be included in account 1759, "Other accounts receivable."

§ 35.1630 Debt-redemption funds.

(a) This account shall include the book cost of assets that have been segregated in special funds for the purpose of redeeming outstanding long-term debt of the carrier.

(b) A separate subaccount, with appropriate title, shall be maintained for each issue or series of long-term debt for the redemption of which a special fund is maintained.

Note: Nothing contained herein shall be construed as preventing the carrier from transferring applicable debt-redemption funds to account 1715, "Special cash deposits," for the purpose of paying matured long-term debt, or obligations called for redemption but not presented, or the interest thereon.

§ 35.1635 Employees' provident funds.

This account shall include the amount of cash, the book cost of securities of others, and the book amount of nominally issued and nominally outstanding securities issued or assumed by the carrier and other assets held by trustees or managers of employees' pension funds, savings funds, and relief, hospital, and other association funds (whether contributed by the carrier, by employees, or by others), when such trustees or managers are acting for the carrier in the administration of such funds. (See also §§ 35.10-15 and 35.30-2.)

§ 35.1640 Insurance funds.

(a) This account shall include the book cost of assets that have been segregated in special funds in connection with those losses contemplated under the carrier's plan for self-carried insurance.

(b) A separate subaccount, with appropriate title, shall be maintained for each class of funds.

§ 35.1645 Miscellaneous funds held by trustees.

This account shall include the amount of cash and the cost of other assets deposited with trustees to be held until mortgaged property sold, destroyed, or otherwise disposed of is replaced; also the amount of cash realized from the sale of the carrier's securities and deposited with trustees to be held until invested in property for the carrier. When the purposes of such deposits are satisfied and the deposits are released, this account shall be credited with the amounts released.

§ 35.1659 Other miscellaneous funds.

(a) This account shall include the book cost of assets that have been segregated in special funds for specific purposes not provided for elsewhere.

(b) A separate subaccount, with appropriate title, shall be maintained for each class of funds.

§ 35.1698 Amortized discount and premium on investment securities.

(a) This account shall include the amount of amortized discount and premium charged or credited as interest from securities held as long-term investments, as provided in § 35.10-7.

(b) A separate subaccount, with appropriate title, shall be maintained for each issue or series of securities with respect to which amounts are entered herein, with an appropriate reference to the account in which the cost of the securities is recorded.

§ 35.1699 Allowance for doubtful investments.

(a) This account shall be credited with amounts charged to account 6120, "Extraordinary current income charges," to provide for the doubtful value of investments.

(b) When securities are sold or otherwise disposed of, or their book cost is reduced to a nominal value, this account shall be charged with any amounts covered by credits hereto with respect to such securities.

Current Assets

§ 35.1710 Cash.

This account shall include the amount of current funds available for use on demand or otherwise subject to disbursement on behalf of the carrier by its officers, agents, or employees, including those funds in the hands of financial officers and agents, deposited in banks or with trust companies, and in transit.

§ 35.1715 Special cash deposits.

(a) This account shall include the amount of cash in special deposits, other than in debt-redemption and other funds, for the payment of interest, dividends, and other debts when such payments are due 1 year or less from the date of deposit; also the amount of cash deposited to insure the performance of contracts to be performed within 1 year from the date of deposit, and other cash deposits for specific purposes not provided for elsewhere. When the purposes of such deposits are satisfied and the deposits are released, this account shall be credited with the amounts released.

(b) This account shall be subdivided as follows:

1715:01 Special deposits—Interest.
1715:02 Special deposits—Dividends.

1715:99 Special deposits—Other.

§ 35.1720 Working cash advances.

This account shall include the amounts of cash advanced to officers, agents, and employees, particularly cash or working funds from which certain expenditures are to be made and accounted for.

§ 35.1725 Temporary investments.

(a) This account shall include the book cost of securities acquired for the purpose of temporarily investing cash, such as demand and time loans, bankers' acceptances, United States Treasury certificates, and other similar investments.

(b) This account shall be subdivided as follows:

1725:01 Temporary investments—Affiliates
1725:99 Temporary investments—Other.

§ 35.1730 Receivables from customers.

(a) This account shall include amounts receivable from customers for services.

(b) The records supporting the entries in this account shall be so maintained as to show separately (1) amounts charged for services rendered, and (2) amounts charged for services to be rendered. (See also § 35.2155.)

NOTE A: Amounts representing revenues accrued but not due shall be included in account 1770, "Unmatured accrued receivables."

NOTE B: Amounts receivable from other carriers for participation in transmission shall be included in the accounts maintained in accordance with § 35.03-19.

NOTE C: Amounts due on notes accepted in settlement of customers' accounts shall be included in account 1751, "Notes receivable."

§ 35.1742 Traffic settlements receivable from affiliates.

This account shall include the total of the amounts receivable from affiliated carriers against each of which there is a net debit balance in the accounts maintained for traffic settlements. (See § 35.03-19.)

§ 35.1749 Other receivables from affiliates.

(a) This account shall include amounts receivable from affiliates not provided for elsewhere. (See particularly §§ 35.1725, 35.1730, 35.1742, 35.1770, 35.1775, and 35.1785.)

(b) This account shall be subdivided as follows:

1749:01 Matured interest receivable.
1749:02 Declared dividends receivable.
1749:03 Matured rents receivable.
1749:04 Current notes receivable. (See also § 35.1620.)
1749:99 Other accounts receivable.

(c) In stating the balance sheet there may be included in this account the net amounts receivable from affiliates against each of which there is a net debit balance between amounts in this account and amounts in account 2129, "Other payables to affiliates."

Receivables From Nonaffiliates

§ 35.1751 Notes receivable.

(a) This account shall include amounts receivable from persons other than affiliates on notes, drafts, acceptances, and other evidences of indebtedness, payable on demand or not more than 1 year from the date of issuance. (See also § 35.1629.)

(b) The book amount of items includable in this section that are discounted or sold without releasing the carrier from liability thereon, shall be credited to this account and reported as a contingent liability. (See particularly § 35.10-16.)

(c) This account shall be subdivided as follows:

1751:01 Receivable from officers and employees.
1751:99 Receivable from others.

§ 35.1752 Traffic settlements receivable.

This account shall include the total of the amounts receivable from persons other than affiliates against each of whom there is a net debit balance in the accounts maintained for traffic settlements. (See § 35.03-19.)

§ 35.1753 Matured interest receivable.

This account shall include amounts representing earned interest receivable from persons other than affiliates that is matured and subject to current settlement.

NOTE A: Earned interest receivable that is accrued but unmatured shall be included in account 1770, "Unmatured accrued receivables."

NOTE B: Matured interest receivable that is not subject to current settlement shall be included in the account in which the principal amount is carried.

§ 35.1754 Declared dividends receivable.

This account shall include amounts representing declared dividends on stocks owned (other than stocks of affiliates) that become matured not later than the first day following the date of the balance sheet.

NOTE A: Declared dividends receivable from affiliates shall be included in account 1749, "Other receivables from affiliates."

NOTE B: Declared dividends receivable that do not mature until after the first day following the date of the balance sheet shall be included in account 1770, "Unmatured accrued receivables."

§ 35.1755 Matured rents receivable.

This account shall include amounts representing rentals receivable from persons other than affiliates that are matured and subject to current settlement.

NOTE A: Rentals receivable that are accrued but unmatured shall be included in account 1770, "Unmatured accrued receivables."

NOTE B: Amounts receivable from minor rentals shall be included in account 1730, "Receivables from customers."

§ 35.1759 Other accounts receivable.

(a) This account shall include the amounts of receivables from persons other than affiliates not provided for elsewhere. (See §§ 35.1725 and 35.1730; also §§ 35.1751 to 35.1758, inclusive, and §§ 35.1770, 35.1775, and 35.1785.)

(b) This account shall be subdivided as follows:

1759:01 Officers and employees.
1759:99 Others.

(c) In stating the balance sheet there may be included in this account the total of the net amounts receivable from persons other than affiliates against each of whom there is a net debit balance between amounts in this account and amounts in account 2139, "Other accounts payable."

§ 35.1765 Allowance for uncollectible receivables.

(a) This account shall be credited with amounts charged to account 4935, "Uncollectible revenues," account 5299, "Other deductions from ordinary income," and account 6120, "Extraordinary current income charges," to provide for uncollectible receivables, under a plan consistently followed and adjusted for errors in estimates.

(b) This account shall be charged with any amounts covered herein that are determined to be impracticable of collection and shall be credited with amounts collected that previously were charged hereto.

(c) The records supporting the entries in this account shall be so maintained as to show the amount applicable to each class of receivables for which allowances are established, and also the account that was charged with each credit in this account.

§ 35.1770 Unmatured accrued receivables.

(a) This account shall include the amounts of revenue estimated to have accrued for services not billed but subsequently billable and not due under contract and the amounts of interest, rent, and other items accrued, and dividends declared prior to the date for which the balance sheet is made, but not receivable until after the first day following that date.

(b) This account shall be subdivided as follows:

1770:01 Accrued communication revenue.
1770:02 Accrued interest.
1770:03 Declared dividends.
1770:04 Accrued rents.
1770:99 Other accrued receivables.

§ 35.1775 Subscriptions to capital stock.

(a) The amount of each subscription to capital stock of the carrier shall be charged to this account at the time the subscription is accepted. The book amount of the stock subscribed shall be credited to account 2420, "Capital stock subscribed; unissued." The difference between the foregoing amounts shall be charged or credited, as appropriate, to the discount and premium account maintained under the provisions of § 35.10-13(a). (See also §§ 35.10-9 and 35.1780.)

(b) This account shall be subdivided as follows:

1775:01 Amounts subscribed by affiliates.
1775:02 Amounts subscribed by officers and employees.
1775:03 Amounts subscribed by underwriters.
1775:99 Amounts subscribed by others.

§ 35.1780 Deposits on subscriptions to capital stock.

(a) This account shall be credited with amounts received as payments on subscriptions to capital stock.

(b) When payment for the total amount of a subscription has been received, this account shall be charged and account 1775, "Subscriptions to capital stock," shall be credited with such total amount.

(c) Any amounts in this account which become the property of the carrier by forfeiture shall be charged hereto and credited to account 2599, "Other capital surplus."

(d) This account shall be subdivided as follows:

1780:01 Deposits received from affiliates.
1780:02 Deposits received from officers and employees.
1780:03 Deposits received from underwriters.
1780:99 Deposits received from others.

§ 35.1785 Subscriptions to bonds.

(a) The amount of each subscription to bonds of the carrier shall be charged to this account at the time the subscription is accepted. The face amount of the bonds subscribed shall be credited to account 2020, "Bonds subscribed; unissued." The difference between the foregoing amounts shall be charged or credited, as appropriate, to the discount and premium account maintained under the provisions of § 35.10-14(a). (See also § 35.1790.)

(b) This account shall be subdivided as follows:

1785:01 Amounts subscribed by affiliates.
1785.02 Amounts subscribed by officers and employees.
1785:03 Amounts subscribed by underwriters.
1785:99 Amounts subscribed by others.

§ 35.1790 Deposits on subscriptions to bonds.

(a) This account shall be credited with amounts received as payments on subscriptions to bonds of the carrier.

(b) When payment for the total amount of a subscription has been received, this account shall be charged and account 1785, "Subscriptions to bonds," shall be credited with such total amount.

(c) Any amounts in this account which become the property of the carrier by forfeiture shall be charged hereto and credited to account 6110, "Extraordinary current income credits."

(d) This account shall be subdivided as follows:

1790:01 Deposits received from affiliates.
1790:02 Deposits received from officers and employees.
1790:03 Deposits received from underwriters.
1790:99 Deposits received from others.

§ 35.1795 Material and supplies.

(a) This account shall include the cost (consideration being given to the adjustments outlined in paragraphs (b), (c), (d), and (e) of this section) of unapplied material and supplies held for use in the carrier's regulated operations or in common with nonregulated operations (including plant supplies, unissued small tools, fuel, stationery, and other supplies) and of material and articles of the carrier in process of manufacture for supply stock.

(b) Cost shall include the purchase price at the point of free delivery, plus customs duties, excise taxes, and other taxes on purchases, insurance, cost of inspection, special tests prior to acceptance, loading and unloading, transportation, and other directly assignable charges. (Transportation and other charges impracticable of inclusion in the cost of the particular material to which they relate shall be charged to account 9016, "Supply clearing account.")

(c) Cash and other discounts on material shall be deducted from the cost of the particular material to which they relate or credited to the account to which the material is charged.

(When impracticable of such treatment they shall be credited to account 9016, "Supply clearing account.")

(d) Material recovered in connection with construction, maintenance, or retirement of plant shall be included in this account as follows:

(1) Reusable material shall be included in the appropriate subdivision of this account at original cost, estimated if not known.

(2) The cost of repairing reusable material shall be charged to the appropriate operating-expense account.

(3) Scrap and nonusable material shall be included in this account at the estimated net amount realizable therefrom. The differences between the amounts realized for scrap and nonusable material sold and the amount at which the material was included in this account shall be adjusted to the accounts credited when the material was charged to this account. (When impracticable of such treatment, the differences shall be adjusted to account 9016, "Supply clearing account.")

(e) Inventories of material and supplies shall be taken during each calendar year and the necessary adjustments shall be made to bring the balance in this account into agreement with the actual inventories. In effecting the adjustments, differences that can be assigned to important classes of material shall be equitably adjusted among the accounts to which such classes of material were charged subsequent to the previous inventory. Other differences shall be equitably apportioned among the accounts to which material has been charged since the last inventory or included in account 9016, "Supply clearing account."

(f) This account shall be subdivided as follows:

1795:01 Material held for use in the carrier's regulated operations, or in common with its nonregulated operations.
1795:02 Material in process.
1795:03 Undistributed supply items. (See § 35.90-2.)

NOTE A: This account shall not include amounts representing cost of material or articles the title to which is not vested in the carrier.

NOTE B: Interest on material bills the payment of which has been delayed shall be charged to account 5235, "Other interest charges."

[28 FR 13147, Dec. 5, 1963, as amended at 48 FR 45086, Sept. 30, 1983]

§ 35.1799 Other current assets.

(a) This account shall include the amounts of current assets not provided for elsewhere.

(b) The records supporting the entries in this account shall be so maintained as to show full details concerning each item included in this section.

Prepayments

§ 35.1810 Prepaid insurance.

This account shall be charged with the amounts of insurance premiums paid in advance. As the term expires for which the insurance premiums were paid, this account shall be credited at monthly intervals and the appropriate accounts charged.

§ 35.1815 Prepaid rents.

This account shall be charged with the amounts of rents paid in advance. As the term expires for which the rents were paid, this account shall be credited at monthly intervals and the appropriate accounts charged.

§ 35.1820 Prepaid taxes.

This account shall be charged with the amounts of taxes paid in advance. As the term expires for which the taxes were paid, this account shall be credited at monthly intervals and the appropriate accounts charged.

§ 35.1899 Other prepayments.

This account shall be charged with the amounts of prepayments not provided for elsewhere. As the term expires for which the payments were made, this account shall be credited at monthly intervals and the appropriate accounts charged.

Deferred Charges

§ 35.1910 Extraordinary maintenance, depreciation, and retirements.

This account shall include such amounts of the unprovided-for loss in service value of plant retired for causes not contemplated in prior allowances for depreciation as are authorized or directed by the Commission to be included herein. (See also § 35.04-4.) It shall also include such other amounts as may be authorized or directed by the Commission to be included herein.

§ 35.1915 Capital-stock expense.

(a) This account shall include the amounts of stock expenses that have not been charged to account 6120, "Extraordinary current income charges." (See particularly § 35.10-13.)

(b) A separate subaccount, with appropriate title, shall be maintained for stock expenses applicable to each class of capital stock.

Note: Expenses incurred in connection with the reacquisition and resale of capital stock shall be accounted for as provided in § 35.10-9.

§ 35.1920 Long-term debt expense.

(a) This account shall include the amounts of debt expenses that have not been charged to account 5245, "Amortization of debt expense," or to account 6120, "Extraordinary current income charges." (See particularly § 35.10-14.)

(b) A separate subaccount, with appropriate title, shall be maintained for debt expenses applicable to each issue or series of long-term debt.

Note: Expenses incurred in connection with the reacquisition and resale of long-term debt shall be accounted for as provided in § 35.10-14.

§ 35.1925 Discount on capital stock.

This account shall include the total of the debit balances in the accounts for discount and premium on capital stock. (See particularly § 35.10-13.)

§ 35.1930 Unamortized discount on debt.

This account shall include the total of the debit balances in the accounts for discount and premium on long-term debt. (See particularly § 35.10-14.)

§ 35.1935 Preliminary survey and investigation charges.

(a) This account shall be charged with all preliminary expenditures for surveys, plans, investigations, etc., made for the purpose of determining the feasibility of major projects under contemplation such as the construction, retirement, purchase, or sale of plant. If a project is authorized, the amounts applicable thereto shall be credited to this account and charged to the appropriate accounts. (See also note at the end of this section.) If a project is abandoned, the amounts applicable thereto shall be credited to this account and when borne by the carrier, shall be charged to account 6120, "Extraordinary current income charges," unless otherwise authorized or directed by the Commission.

(b) The records supporting the entries in this account shall be so maintained that the carrier can furnish complete information as to the nature and purpose of the surveys, plans, or investigations, and the nature and respective amounts of the charges.

Note: The amount of preliminary survey and investigation charges transferred to the plant accounts shall not exceed the expenditures which may reasonably be determined to contribute directly and immediately and without duplication to the plant. (See also § 35.03-7.)

§ 35.1940 Debit balances in clearing accounts.

This account shall include the total of the debit balances (i.e., the amounts that affect the accounting for future periods) remaining in all clearing accounts except account 9016, "Supply clearing account." (See particularly § 35.90-2.)

§ 35.1999 Other deferred charges.

(a) This account shall include the amounts of deferred charges not provided for elsewhere. (See also § 35.03-15.)

(b) The records supporting the entries in this account shall be so maintained that the carrier can furnish complete information as to each item included herein.

Long-Term Debt

§ 35.2010 Bonds actually issued.

(a) This account shall include the face amount of actually issued and unmatured bonds that have not been retired or canceled; and also the face

best copy available

amount of such bonds issued by others the payment of which has been assumed by the carrier. (See particularly §§ 35.10-7, 35.10-8, and 35.10-17.)

(b) A separate ledger account, with appropriate title, shall be maintained for each issue or series of bonds.

NOTE A: Discount, expense, and premium on bonds shall be accounted for as provided in § 35.10-14.

NOTE B: Matured bonds shall be included in account 2120, "Matured long-term debt."

§ 35.2015 Bonds reacquired.

(a) This account shall include the face amount of bonds actually issued or assumed by the carrier and reacquired by it and held under conditions that do not permit the carrier to treat such bonds as retired or canceled but do permit their resale. It shall not include securities that are held by trustees of debt-redemption or other funds.

(b) When any issue of bonds, or portion thereof, is reacquired, the acquisition cost of the bonds and the amount of unamortized discount, expense, or premium applicable thereto shall be accounted for as provided in § 35.10-14.

(c) When reacquired bonds are sold, the book amount of the bonds shall be credited to this account and the difference between such amount and the amount received from the sale less commissions and expenses incurred in the sale shall be charged to account 6120, "Extraordinary current income charges," or credited to account 6110, "Extraordinary current income credits," as appropriate.

(d) A separate subaccount, with appropriate title, shall be maintained for each issue or series of bonds reacquired.

§ 35.2020 Bonds subscribed; unissued.

(a) This account shall include the face amount of bonds for which legally enforceable subscriptions have been received but for which evidences of indebtedness have not been issued.

(b) When the amount of each subscription is received and the evidences of indebtedness are issued, this account shall be charged and account 2010, "Bonds actually issued," shall be credited with the face amount of such bonds.

(c) Interest that has accrued on the evidences of indebtedness issued to subscribers shall be accounted for through the appropriate interest account.

(d) A separate subaccount, with appropriate title, shall be maintained for subscriptions to each issue or series of bonds.

§ 35.2025 Receivers' and trustees' securities.

This account shall include the book amount of the evidences of indebtedness issued by receivers or trustees in possession of the property of the carrier and acting under the orders of a court.

§ 35.2030 Advances from affiliates.

(a) This account shall include the amounts owed to affiliates on notes maturing more than 1 year from date of issuance or origin and the amounts of open accounts representing investment advances from affiliates.

(b) This account shall be subdivided as follows:

2030:01 Notes.
2030:02 Open accounts.

NOTE: Notes and open accounts representing indebtedness to affiliates that are subject to current settlement shall be included in account 2129, "Other payables to affiliates."

§ 35.2099 Other long-term debt.

(a) This account shall include the amounts of all long-term debt not provided for elsewhere.

(b) The records supporting the entries in this account shall be so maintained that the carrier can furnish complete information as to each item included in this section.

Current Liabilities

§ 35.2101 Unpaid wages.

This account shall include the amounts of accrued wages as at the date of the balance sheet, and the amounts of unclaimed wages not represented by outstanding checks and not yet subject to the provisions of § 35.10-5(c).

§ 35.2111 Liability for tax collections.

(a) This account shall include amounts collectible or collected (directly or through the pay roll deduction or other method) by the carrier from customers, employees, or other third persons and payable to the United States or to State, local, or foreign governments.

(b) This account shall be subdivided, as indicated below, so as to show separately (1) the amounts due the United States under the provisions of the Social Security Act, (2) amounts due State or local governments under the provisions of statutes related to or similar to the Social Security Act, (3) amounts due the United States for taxes on the transmission of messages and the leasing of facilities, and (4) other amounts due governments:

2111:01 Federal social security.
2111:02 State or local social security.
2111:03 Federal message (and leased-facility).
2111:99 Other.

§ 35.2113 Unpaid money-orders.

This account shall include the amounts of money-orders, travelers' checks, c.o.d. checks, letters of credit, and similar forms of sight or demand checks and drafts drawn by agents on the carrier and outstanding in the hands of payees or drawn on express or other companies and not paid to the drawees. It shall also include the amounts appearing on receipts or on similar evidences of the acceptance of funds for transmittal issued by agents of the company and not yet represented by any of the above-mentioned types of sight or demand instruments.

§ 35.2115 Customers' deposits.

This account shall include amounts deposited with the carrier by customers as security for the payment of bills. (See also § 35.2315.)

§ 35.2120 Matured long-term debt.

This account shall include the amount of long-term debt and receivers' and trustees' securities, including any obligations for premiums, matured and unpaid without specific agreement for extension of maturity. It shall include the amounts of bonds drawn or called for redemption but not presented.

§ 35.2122 Traffic settlements payable to affiliates.

This account shall include the total of the amounts payable to affiliated carriers in favor of each of which there is a net credit balance in the accounts maintained for traffic settlements. (See particularly § 35.03-19.)

§ 35.2129 Other payables to affiliates.

(a) This account shall include amounts payable to affiliates not provided for elsewhere. (See particularly §§ 35.2122, 35.2165, 35.2170, and 35.2180.)

(b) This account shall be subdivided as follows.

2129:01 Matured interest payable.
2129:02 Matured rents payable.
2129:03 Current notes payable. (See also § 35.2030.)
2129:99 Other accounts payable.

(c) In stating the balance sheet there may be included in this account the net amounts payable to affiliates in favor of each of which there is a net credit balance between amounts in this account and amounts in account 1749, "Other receivables from affiliates."

Payables to Nonaffiliates

§ 35.2131 Notes payable.

This account shall include amounts payable to persons other than affiliates on notes, drafts, acceptances, and other evidences of indebtedness payable on demand or not more than 1 year from the date of issuance. (See also § 35.1751(b).)

NOTE: Notes payable to nonaffiliates more than 1 year from the date of issuance shall be included in account 2099, "Other long-term debt."

§ 35.2132 Traffic settlements payable.

This account shall include the total of the amounts payable to persons other than affiliates in favor of each of whom there is a net credit balance in the accounts maintained for traffic settlements. (See particularly § 35.03-19.)

§ 35.2133 Matured interest payable.

(a) This account shall include the amount of matured interest that is subject to current settlement and payable to persons other than affiliates on long-term debt or other obligations of the carrier. (See also § 35.2165.)

(b) The records supporting the entries in this account shall be so maintained as to show separately the rate and amount of interest included in this section by reference to the obligation to which the interest relates.

NOTE: Matured interest payable that is not subject to current settlement shall be included in the account in which the principal amount is recorded.

§ 35.2134 Dividends payable.

(a) This account shall include the amount of declared dividends that are payable not later than the first day following the date of the balance sheet and that for any reason have not been paid. (See particularly § 35.2164.)

(b) The records supporting the entries in this account shall be so maintained as to show the amount of dividends includible in this section by the classes of capital stock to which they relate.

§ 35.2135 Matured rents payable.

This account shall be credited with the amounts charged to the income accounts and the amounts of the clearances from account 2170, "Rent accruals," representing matured rents payable to persons other than affiliates.

§ 35.2139 Other accounts payable.

(a) This account shall include the amounts of payables to persons other than affiliates not provided for elsewhere, including the amounts of vouchers that have been approved for payment but remain unpaid as at the date of the balance sheet. (See §§ 35.2099, 35.2101, 35.2111, 35.2113, and 35.2115; also §§ 35.2131 to 35.2135, inclusive, and §§ 35.2160 to 35.2180, inclusive.)

(b) In stating the balance sheet there may be included in this account the total of the net amounts payable to persons other than affiliates in favor of each of whom there is a net credit balance between amounts in this account and amounts in account 1759, "Other accounts receivable."

§ 35.2155 Advance billings.

(a) This account shall be credited with the amounts of bills rendered for services to be furnished in future accounting periods.

(b) This account shall be charged and the appropriate operating-revenue accounts, income accounts, or asset accounts shall be credited as the services are rendered or as adjustments are approved.

NOTE: This account shall not include amounts representing advances for construction. (See particularly § 35.2315.)

§ 35.2160 Liability on installment-plan sales of capital stock.

(a) This account shall include the amounts of receipts (obtained either directly or through pay-roll deductions) from employees and others, other than on subscriptions, as partial payments on capital stock of the carrier.

(b) When amounts so received equal the agreed purchase price for capital stock, this account shall be charged and account 2410, "Capital stock issued," on account 2415, "Capital stock reacquired," as appropriate, shall be credited with the book amount of such stock. Any discount or premium on original issues shall be included in the appropriate discount and premium account.

(c) When amounts included herein are forfeited, by purchasers, this account shall be charged and account 2599, "Other capital surplus," shall be credited with the amounts so forfeited.

(d) When, for any reason, receipts under this plan are refunded to purchasers, this account shall be charged with the amount of such refunds, to the extent that the refunds represent amounts of principal installment receipts.

(e) Any amounts credited to purchasers as interest on installment receipts shall be charged to account 5235 "Other interest charges." Any amount by which refunds on uncompleted purchases fail to equal the amounts received from purchasers shall be charged to this account and credited to account 2599, "Other capital surplus."

(f) This account shall be subdivided as follows:

2160:02 Receipts from officers and employees.
2160:99 Receipts from others.

Liability Accruals

§ 35.2164 Dividends declared.

(a) This account shall include the amount of declared dividends payable at a date subsequent to the first day following the date of the balance sheet. (See particularly § 35.2134.)

(b) The records supporting the entries in this account shall be so maintained as to show the amount of dividends declared on each class of capital stock.

§ 35.2165 Interest accruals.

(a) This account shall be credited monthly with amounts charged to account 5210, "Interest on long-term debt," account 5215, "Interest on indebtedness to affiliates," account 5235, "Other interest charges," and other appropriate accounts representing proportionate amounts, applicable to the period, of interest liabilities that have not matured.

(b) When any item of interest included herein has matured, the amount thereof shall be cleared by a charge to this account and a credit to account 2133, "Matured interest payable," or other appropriate account.

§ 35.2170 Rent accruals.

(a) This account shall be credited monthly with amounts charged to account 5205, "Rent for lease of operated plant," account 4261, "Rents for operating offices," account 4269, "Rents for other facilities," and other appropriate accounts representing proportionate amounts, applicable to the period, of rent liabilities that have not matured.

(b) When the obligation with respect to which any item included herein has matured, the amount of such item shall be cleared by a charge to this account and a credit to account 2135, "Matured rents payable," or other appropriate account.

§ 35.2175 Tax accruals.

(a) This account shall be credited monthly with the amount of taxes applicable to the period, and corresponding charges shall be made to the appropriate accounts. Such credits may be based upon estimates, but from time to time, as the facts become known, the amounts of the periodic credits shall be adjusted so as to include, as nearly as can be determined in each year, the taxes applicable to that year.

(b) The records supporting the entries in this account shall be so maintained that the carrier can furnish information as to the amounts by classes of taxes and taxing authorities, the basis for each tax determination, and the accounts to which charged.

NOTE A: Interest on tax assessments the payment of which has been delayed shall be charged to account 5233, "Interest on past-due tax assessments."

NOTE B: Taxes such as social security taxes collected from employees and message taxes collected from customers shall be included in account 2111, "Liability for tax collections."

NOTE C: Any amount representing a prepayment of taxes applicable to a subsequent period shall be included in account 1820, "Prepaid taxes."

§ 35.2180 Other liability accruals.

(a) This account shall be credited with the amounts of liability accruals not provided for elsewhere.

(b) When the obligation with respect to which any item included herein has matured, the amount of such item shall be cleared by a charge to this account and a credit to the appropriate account according to the nature of the matured item.

§ 35.2199 Other current liabilities.

(a) This account shall include the amounts of current liabilities not provided for elsewhere. (See particularly § 35.10-5(c).)

(b) The records supporting the entries in this account shall be so maintained as to show full details concerning each item included in this section.

Provisions for Future Settlements

NOTE: See particularly § 35.10-11.

§ 35.2210 Provisions for employees' pensions and welfare.

(a) This account shall include specific appropriations of income and the amounts contributed by employees or others (whether carried in special trust funds or in the general funds of the carrier) for pensions, accident and death benefits, savings, relief, hospital, and other provident purposes, when administered by trustees or managers acting for the carrier.

(b) This account shall include also the amount accrued for pensions through charges to account 4327, "Relief and pensions." Amounts so credited shall, when actually paid to retired employees or paid into a trust fund irrevocably devoted to the payment of pensions, be charged hereto.

§ 35.2215 Provisions for self-carried insurance.

(a) This account shall include provisions to cover self-carried risks for losses through accident, fire, flood, or other causes, other than provisions made in the allowance for depreciation.

(b) This account shall also be credited with amounts that are charged to account 4327, "Relief and pensions," when under statutes to which the carrier is subject, self-insurance of risks for workmen's compensation for employees' liability is required or permitted.

(c) Amounts included in this account shall be computed upon a basis of rates which fairly cover the risks incurred. These rates shall be determined according to the carrier's experience and best estimate as to the hazard covered. A schedule of risks covered by this account shall be maintained giving a description of the property or the character of the risks covered.

(d) If the carrier reinsures with insurance companies risks initially covered in this account, the premiums for such reinsurance shall be charged hereto.

(e) To the extent that losses and damages sustained or awards made are covered by this account, an amount equal thereto shall be charged to this account and credited to the accounts appropriate for the losses and damages sustained or awards made.

(f) This account shall be subdivided as follows:

2215:01 Workmen's compensation insurance.

2215:99 Other insurance.

NOTE A: Accretions to this account shall not be made in excess of a reasonable provision against losses of the character provided for.

NOTE B: All losses and damages sustained or awards made, including those covered by commercial insurance or by this account, shall be charged in the first instance to the allowance-for-depreciation, construction, maintenance, injuries-and-damages, or other appropriate account, according to the character of the loss. Insurance recovered or amounts chargeable to this account on account of losses and damages sustained shall be credited to the account in which the losses and damages stand charged.

§ 35.2220 Provisions for equalization of maintenance expenses.

(a) This account shall be credited with such amounts as the Commission may authorize or direct to be charged to account 4180, "Maintenance-expense equalization," under a plan to equalize maintenance expenses.

(b) When maintenance work is performed for which provision has been made in this account, the cost of such work shall be charged to the appropriate maintenance accounts. Concurrently this account shall be charged and account 4180 shall be credited with an amount equal to the provision for the cost of such maintenance work.

(c) The carrier's application to the Commission for permission to institute an equalization program shall show full details as to the plan of administration of the program, the character of the work to which amounts accrued may subsequently be applied, and the amount of the monthly or annual accruals for equalization purposes.

(d) A separate subaccount, with appropriate title, shall be maintained for each project or program for which provision is made in this account.

§ 35.2225 Provisions for depreciation and replacement of operated plant leased from others.

(a) This account shall be credited with amounts charged to account 4910, "Depreciation," for currently accruing depreciation of operated plant leased from others when the carrier, as lessee, is required to replace or to restore the condition of such plant and when such amounts are not subject to current reimbursement to the lessor.

(b) This account shall be charged with the cost of leased plant retired and the cost of removal when, under the terms of the lease, the carrier, as lessee, is required to replace or to restore the condition of plant leased from others. It shall be credited with the salvage value and any other amounts recovered from such retired plant. (See also § 35.1-5.)

(c) As at the effective date of this part, this account shall be credited with such amounts as are necessary to record herein the service value of operated plant leased from others that has expired during the periods of effective leasing agreements under which the carrier, as lessee, is required to replace or to restore the condition of such plant, and when such amounts are not subject to current settlement with the lessor. This includes amounts with respect to depreciable operated plant that has been retired during the periods of such agreements and the expired service value of such plant still in the service of the carrier. The amounts thus credited shall, unless otherwise authorized by the Commission, be charged to account 6120, "Extraordinary current income charges."

(d) The amount in this account with respect to each leasing agreement shall be cleared at the expiration of the lease as provided in § 35.1-6(k).

(e) The records supporting the entries in this account shall be so maintained as to show the amount included in this section with respect to each leasing agreement.

§ 35.2230 Leased operated plant retired.

(a) This account shall be credited with the cost of leased operated plant retired when the carrier, as lessee, is required to replace or to restore the condition of plant leased from others. (See also § 35.1-5.)

(b) As at the effective date of this part, this account shall be credited, and account 2225, "Provisions for depreciation and replacement of operated plant leased from others," shall be charged with the original cost of operated plant leased from others that has been retired since the date of each effective leasing agreement under which the carrier, as lessee, is required to replace or to restore the condition of such plant, and when the cost of such replacement or restoration is not subject to current settlement with the lessor.

(c) The amount in this account with respect to each leasing agreement shall be cleared at the expiration of the lease as provided in § 35.1-6(k).

(d) The records supporting the entries in this account shall be so maintained as to show the amount included herein with respect to each leasing agreement.

§ 35.2299 Other provisions for future settlements.

(a) This account shall include the amounts of provisions for future settlements not provided for elsewhere, including reasonable provisions for uninsured casualty liabilities charged to account 4325, "Injuries and damages."

(b) The records supporting the entries in this account shall be so maintained as to show complete details concerning each item included in this section.

Deferred Credits

§ 35.2310 Unamortized premium on debt.

This account shall include the total of the credit balances in the accounts for discount and premium on long-term debt. (See § 35.10-14(c).)

§ 35.2315 Advances for construction.

(a) This account shall include the entire amount of advances for construction that are to be repaid in full or in part.

(b) When full repayment is made of the amount to which the person making the advance is entitled, according to the agreement or rule under which the advance is made, the balance, if any, remaining in this account shall be transferred to account 2515, "Contributions of plant."

§ 35.2320 Credit balances in clearing accounts.

This account shall include the total of the credit balances (i.e., the amounts that affect the accounting for future periods) remaining in all clearing accounts except account 9016, "Supply clearing account." (See § 35.90-2.)

§ 35.2399 Other deferred credits.

(a) This account shall include the amount of deferred credits not provided for elsewhere including unamortized investment credits. (See also §§ 35.03-15 and 35.31-2(c).)

(b) The records supporting the entries in this account shall be so maintained that the carrier can furnish complete information as to each item included in this section.

[28 FR 13147, Dec. 5, 1963, as amended at 29 FR 6013, May 7, 1964]

Capital Stock

§ 35.2410 Capital stock issued.

(a) This account shall include the book amount of actually issued capital stock. (See § 35.10-9; also §§ 35.10-13 and 35.10-17.)

(b) When any class of capital stock or portion thereof is retired or canceled, this account shall be charged with the amount at which such stock is carried herein.

(c) Separate subaccounts shall be maintained to show the book amount of each class of stock as provided in § 35.10-9.

NOTE A: When a levy or assessment (not including a call for payment on subscriptions) is made against holders of capital stock, the amount collected upon such levy or assessment shall be accounted for in accordance with § 35.10-13(d).

NOTE B: Discount, expense, and premium on capital stock shall be accounted for in accordance with § 35.10-13.

§ 35.2415 Capital stock reacquired.

(a) This account shall include the book amount of capital stock actually issued by the carrier and reacquired by it, except stock which is held by trustees of debt-redemption and other funds. No-par stock shall be included in this account at the proportionate part of the total amount at which the particular class of stock is included in account 2410, "Capital stock issued."

(b) When any class of capital stock or portion thereof is reacquired or retired, the acquisition cost of the stock and the amount of unamortized discount, expense, or premium applicable thereto shall be accounted for in accordance with § 35.10-9(d).

(c) When reacquired capital stock is sold, the book amount of the stock shall be credited to this account and the difference between such amount and the amount received from the sale shall be accounted for in accordance with § 35.10-9(f).

(d) A separate subaccount, with appropriate title, shall be maintained for each class of capital stock reacquired.

§ 35.2420 Capital stock subscribed; unissued.

(a) This account shall include the book amount of capital stock for which legally enforceable subscriptions have been received but for which stock certificates have not been issued. (See also § 35.2160.)

(b) When the amount of each subscription is received and stock certificates are issued, this account shall be charged and account 2410, "Capital stock issued," shall be credited with the book amount of such stock.

(c) A separate subaccount, with appropriate title, shall be maintained for each class of capital stock.

§ 35.2425 Obligations for stock conversion.

(a) This account shall include the book amount of capital stock that the carrier has agreed to exchange for the outstanding securities of other companies which have not been surrendered for exchange. (See particularly § 35.10-8.)

(b) When the securities of the other companies have been surrendered, this account shall be charged and account 2410, "Capital stock issued," shall be credited with the book amount of the stock given in exchange.

(c) A separate subaccount, with appropriate title, shall be maintained for each class of capital stock.

Capital Surplus

§ 35.2510 Premiums and assessments on capital stock.

This account shall include the total of the credit balances in the capital-stock discount and premium accounts. (See § 35.10-13.)

§ 35.2515 Contributions of plant.

(a) This account shall include the amounts of money or its equivalent contributed directly or indirectly to the carrier for the construction or acquisition of plant. (See particularly § 35.1-2(a) and (b).

(b) The amounts credited to this account shall not be transferred to any other account without the approval of the Commission.

(c) The records supporting the entries in this account shall be so maintained as to show complete information with respect to each contribution, including the amount and purpose, the conditions upon which it was made, and the name of the donor. (See also § 35.1-2(g).)

§ 35.2599 Other capital surplus.

(a) This account shall include all capital surplus not provided for elsewhere.

(b) Among the amounts includible in this account are credits arising from the reacquisition and resale, from the retirement and cancelation, from a reduction of the stated value, and from the donation by stockholders, of the carrier's capital stock; surplus arising from the forgiveness of debt of the carrier; surplus recorded upon the reorganization or recapitalization of the carrier; and amounts that become the property of the carrier as a result of the forfeiture by others of deposits on subscriptions to capital stock and installment-plan payments on purchases of capital stock. (See particularly § 35.10-9.)

Earned Surplus

§ 35.2610 Contractual reserves.

(a) This account shall include the amount of earned surplus reserved or otherwise set aside in accordance with the terms of mortgages, deeds of trust, orders of courts, contracts, or other agreements. (See also § 35.30-2.)

(b) Separate subaccounts shall be maintained under such titles as will designate the obligation in support of which each reserve recorded hereunder was created.

§ 35.2615 Reserve against impairment of stated capital.

(a) This account shall be credited with amounts charged to account 8315, "Earned surplus employed in reacquisition of capital stock," as provided in § 35.10-7(i).

(b) Upon the resale or retirement of reacquired stock, this account shall be charged and account 8315, "Earned surplus employed in reacquisition of capital stock," shall be credited with the amounts included in this section applicable to such stock.

§ 35.2620 Miscellaneous reserves.

(a) This account shall include the amount of reservations of earned surplus not provided for elsewhere.

(b) Separate subaccounts shall be maintained under such titles as will designate the purpose for which each reserve recorded hereunder was created.

§ 35.2699 Unappropriated earned surplus.

This account shall include the amount of net earned surplus after providing for reservations and appropriations. (See particularly § 35.10-10.)

OPERATED PLANT ACCOUNTS

INSTRUCTIONS

§ 35.1-1 Purpose and content of operated plant accounts.

(a) The operated plant accounts are designed to show in detail the cost of the several classifications of the carrier's wire-telegraph and ocean-cable plant that has a service life of more than 1 year, whether used by the carrier or by others in its regulated operations or in common with its nonregulated operations.

(b) The balances in the several operated plant accounts are includible in the following balance-sheet accounts under the caption "Communication plant," and the chart under § 35.1-99 shows the method of combining a balance-sheet account number and a plant account number when it is desired to indicate both the use and the class of the plant:

1000 Operated plant in carrier's service.
1100 Operated plant leased to others.
1200 Improvements and replacements of operated plant leased from others.

(Account 1400, "Plant held for future communication use," shall also be classified according to the titles and texts provided for the several operated plant accounts.)

NOTE: Plant used in furnishing telephone or radiotelegraph service shall be accounted for as provided in § 35.03-8.

(c) When operated plant ordinarily having a service life of more than 1 year is installed for temporary use in wire-telegraph and ocean-cable service, it shall be accounted for in the same manner as other plant having a service life of more than 1 year.

(d) The cost of individual items of equipment, such as tools and office equipment, costing $200 or less or of short life shall be charged to the appropriate operating expense or clearing accounts according to the use of such items, except that such accounting shall not be permitted when the investment in such property is relatively large and the correctness of the accounting therefor is verified by current inventories.

(e) Carriers furnishing both wire-telegraph and ocean-cable services shall maintain separate accounts for the cost of operated plant applicable to each such service. (See § 35.1-99.)

(f) Not later than January 1, 1946, each carrier shall have completed the studies necessary for reclassifying its plant as at January 1, 1943, in accordance with this system of accounts, and shall have submitted to the Commission the entries it proposes to make to carry out the provisions of this section. It shall submit also (not later than January 1, 1946) a comparative balance sheet showing, as at January 1, 1943, the amounts includible in the respective accounts prescribed in this system of accounts (1) before and (2) after effect has been given to the proposed entries mentioned above relating to the reclassification of the plant.

(g) Pending the reclassification of plant, as at the effective date of this part, in accordance with the accounts prescribed herein, each carrier shall maintain its present accounts with respect to such plant (and its records of retirements therefrom) as subaccounts of account 1540, "Plant in process of reclassification."

[28 FR 13147, Dec. 5, 1963, as amended at 46 FR 52376, Oct. 27, 1981; 48 FR 45087, Sept. 30, 1983]

§ 35.1-2 Accounting for plant acquisitions.

(a) Plant previously in public use contributed to the carrier, or plant constructed by the carrier through expenditures of contributed money or its equivalent, shall be charged to the plant accounts on basis of original cost, and there shall be credited to the allowance-for-depreciation and allowance-for-amortization accounts the estimated amounts of depreciation and amortization requirements applicable to such plant at the date of its acquisition by the carrier. Plant not previously in public use contributed to the carrier shall be charged to the plant accounts at its estimated cost new at date of contribution, and there shall be credited to the appropriate allowance-for-depreciation and allowance-for-amortization accounts the estimated amounts of depreciation and amortization requirements applicable to such plant at that date. The difference between the amounts so includible in the plant and in the allowance accounts shall be credited to account 2515, "Contributions of plant."

(b) Amounts received for construction which are ultimately to be repaid, wholly or in part, shall be credited to account 2315, "Advances for construction," and, when final determination has been made as to the amount to be repaid, any amounts not subject to refund shall be transferred to account 2515, "Contributions of plant."

(c) When property that comprises a substantially complete operating system or operating unit or interest therein is acquired from predecessors by purchase, merger, consolidation, liquidation, or otherwise, that portion of the acquisition cost applicable to operated plant, plant under construction, and plant held for future communication use shall be charged to account 91, "Plant acquired; undistributed charges."

(d) The accounting with respect to the acquisition of such plant shall then be completed as follows:

(1) The original cost of such plant shall be charged to the several plant accounts and account 1300, "Plant under construction," as appropriate, and credited to account 91, "Plant acquired; undistributed charges." When the actual original cost cannot be determined and estimates are used, the carrier shall maintain records to show the particulars of such estimates.

(2) The requisite amounts of the allowances for depreciation and amortization applicable to such plant at the date of acquisition shall be credited to account 1515, "Allowance for depreciation; wire-telegraph and ocean-cable plant," and account 1520, "Allowance for amortization; wire-telegraph and ocean-cable plant," respectively, and charged to account 91, "Plant acquired; undistributed charges."

(3) The amount remaining in account 91, "Plant acquired; undistributed charges," applicable to such plant, upon the completion of the entries provided in the paragraphs (d) (1) and (2) of this section, shall be transferred to account 1510, "Plant-acquisition adjustments."

(e) When a substantially complete operating system or operating unit acquired comprises duplicate or other plant which is intended to be retired by the carrier in the reconstruction of the acquired plant or in its consolidation with the previously owned property, the accounting with respect to such duplicate or other plant shall be submitted for the consideration and approval of the Commission.

(f) The accounting for wire-telegraph and ocean-cable plant acquired from predecessors not provided for in paragraphs (c) and (d) of this section shall be upon basis of the acquisition cost to the carrier.

(g) A memorandum record shall be kept of the amount of contributions applicable to the plant acquired, as shown by the accounts of the previous owner.

(h) Copies of journal entries recording the acquisition of (1) substantially complete operating systems, (2) substantially complete operating units, or (3) other plant (when the consideration paid for such other plant is $25,000 or more), and of the entries clearing the amounts originally charged to account 91, "Plant acquired; undistributed charges," shall be submitted within 90 days from the respective dates of such original and clearing entries for consideration and approval by the Commission. The text of such entries shall give a complete description of the plant acquired and the bases upon which the amounts of the entries have been determined.

(i) In connection with the acquisition of substantially complete operating systems or operating units, the carrier shall endeavor to procure from the grantor (and the grantor, if subject to the accounting regulations of the Commission, shall deliver) all existing records relating to the property acquired, or certified copies thereof.

(j) The cost of initial improvements (including repairs, rearrangements, and additions) to operated plant acquired from others, made in the course of preparing the plant for service, and the cost of any subsequent additions to and replacements of such plant, shall be included in the appropriate operated plant accounts.

(k) If the acquisition of any plant is by means of construction, the provisions of §§ 35.1-3 and 35.1-4 shall be observed.

NOTE: The cost of valuations, inventories, and appraisals taken in connection with the contemplated acquisition of plant shall be charged to account 1935, "Preliminary survey and investigation charges." If the plant is acquired, the preliminary costs shall be accounted for as a part of the cost of acquisition.

[28 FR 13147, Dec. 5, 1963, as amended at 29 FR 12775, Sept. 10, 1964]

§ 35.1-3 Components of construction costs.

(a) The costs of construction properly includible in the plant accounts shall include the applicable direct and overhead costs, listed and described in paragraph (c) of this section and in § 35.1-4, and other analogous items in connection with such work.

(b) When a part only of a project is placed in operation or is completed ready for service and the construction work as a whole is incomplete, that part of the plant placed in operation or ready for service shall be treated as completed and no further interest charges shall be made with respect to such completed part.

(c) The following is a description of the principal components of construction costs:

(1) The compensation and the expenses of employees engaged in construction work, including the compensation and expenses of foremen and inspectors in charge thereof.

(2) The purchase price at the point of free delivery of material and supplies plus customs duties and excise taxes; the cost of inspection and handling; transportation to first point of delivery to the carrier; an equitable portion of supply expense; the total cost of fabricated material from the carrier's shops; the book cost of reusable material; and the cost of the tools consumed on a project. (In determining the cost of material used, proper allowance shall be made for unused material and supplies, material recovered from temporary arrangements used in performing the work, salvage value of tools released from the project, and discounts realized in the purchase of material and supplies.)

(3) The cost of transporting employees, material and supplies, tools, and work equipment not under its own power. (Transportation of material and supplies includes transportation from point of first delivery to point of use. It includes amounts paid to others as well as the cost of operating the carrier's own transportation equipment.)

(4) The cost of protecting the carrier's property from fire or other casualties and the cost of preventing injuries to persons and damages to the property of others.

(5) Expenditures or losses on account of injuries to persons and damages to the property of others.

(6) Payments for, and expenses incurred in securing, temporary privileges, permits, or rights in connection with construction work, such as for the use of private or public property, streets, or highways.

(7) Taxes on physical property during construction and before the facilities are completed ready for service, assessed separately from taxes on operating property or under conditions which permit separate identification or allocation of the amount chargeable to construction; also the portion, applicable to construction costs, of taxes imposed under the Social Security Act and similar State statutes.

(8) The net cost of borrowed funds used for construction purposes and (there may be included) a reasonable rate upon the carrier's own funds when so used. Such amounts shall be charged to the individual project upon which the funds are expended and shall be credited to account 5225, "Interest charged to construction—Cr." The period for which interest may be included in the cost of construction shall be limited to the duration of the construction work. (In case construction work is suspended, interest covering a period of more than 6 months from the date of such suspension shall not be included in the cost of construction except when authorized by the Commission. No interest costs for projects that have been abandoned shall be included in these accounts.)

(9) Premiums paid or amounts provided as self-carried insurance for protection against loss and damage by fire and other casualties, injury to or death of employees or others, damage to property of others, defalcation of employees and agents, nonperformance of contractual obligations of others, and the cost of workmen's compensation or similar insurance.

(10) The cost of telephone, water, electricity, power, office space, equipment, and analogous items allocable to the construction project; also similar items furnished by the carrier through its regular operating facilities.

(11) The pay and expenses of operators and helpers required for machine operation, material and supplies consumed, depreciation, and other expenses incurred in the maintenance, operation, and use of special machines such as steam-shovels, pile-drivers, and other labor-saving machines; also expenditures for rental, maintenance, and operation of such machines owned by others; also, when a particular construction project requires the purchase of special machines, the cost of these machines, less their appraised or salvage value at the time of their release from the project.

(12) The applicable portion of the pay and of the office and other expenses of the carrier's engineers and their staffs responsible primarily for the technical features of construction work.

(13) Amounts paid to other companies, firms, or individuals engaged by the carrier to plan, design, prepare estimates, supervise, inspect, or give general advice and assistance in connection with construction work. (A copy of the agreement or arrangement under which such services are rendered shall be preserved by the carrier.)

(14) An equitable portion of the pay and of the office and other expenses of the general officers and their staffs. (Such amounts shall be determined in accordance with § 35.03-17.)

(15) Amounts paid for work performed under contract by other persons. (Costs incident to the award of such contracts, to the inspection of such work, and to any other work of any character performed by the carrier in connection with a contract-work project have been noted under the components of construction costs appropriate for the character of the service performed or the expense incurred.)

(d) As a reduction of construction costs, any amounts earned, during the construction period incidental to the construction, less correlated expenses, shall be credited to the cost of construction.

§ 35.1-4 Overhead construction costs.

(a) All overhead construction costs, such as engineering, supervision, general office salaries and expenses, construction engineering and supervision by others than the carrier, law expenses, insurance, injuries and damages, relief and pensions, taxes, and interest, shall be charged to particular projects or units on basis of the amounts of such overhead costs reasonably applicable thereto, to the end that each project or unit shall bear its equitable portion of such costs and that the entire cost of the unit, both direct and overhead, shall be deducted from the plant accounts at the time the unit of plant is retired.

(b) The records supporting the entries for overhead construction costs shall be so maintained as to show the nature of the expenditures, the individual projects and accounts charged, and the bases of the distribution of such costs.

(c) The instructions contained herein shall not be interpreted as permitting the inclusion in the operated plant accounts of arbitrary amounts to cover assumed overhead costs, but as requiring the assignment to particular projects and accounts of actual and reasonable overhead costs.

§ 35.1-5 Expenditures on operated plant leased from others.

(a) Except as provided in paragraphs (b) and (c) of this section, the cost of initial improvements (including repairs, rearrangements, and additions) to operated plant leased from others, made in the course of preparing the plant for service, and the cost of any subsequent additions to and replacements of the leased plant shall be charged to the operated plant accounts appropriate for the class of plant leased. (See also §§ 35.1200 and 35.1-2.)

(b) When, under the terms of a leasing agreement, the carrier, as lessee, is required to make specific improvements to leased plant and such improvements revert to the lessor and constitute a part of the consideration paid for the use of the plant, the cost of such improvements shall be charged by the lessee to account 1815, "Prepaid rents," and amortized over the remaining period of the lease by charges to the appropriate rent account. Such portion of the cost of improvements as represents additions to the leased plant shall be charged by the lessor (if a wire-telegraph or ocean-cable carrier) to the appropriate plant accounts and credited to an appropriate subaccount under account 2399, "Other deferred credits." Amounts thus credited to account 2399 shall be amortized over the remaining period of the lease by credits to the appropriate rental account.

(c) When improvements to leased plant otherwise chargeable to the plant accounts are of relatively minor cost or short life, or when the period of the lease is not more than 1 year, the cost thereof shall be included in account 4261, "Rents for operating offices," or in the account appropriate for the maintenance of such plant, as appropriate.

(d) When, under the terms of a lease, the carrier, as lessee, is required to replace or to restore the condition of plant leased from others, depreciation charges on the plant originally leased shall be computed on the same basis as for owned depreciable plant. Such amounts shall be charged to account 4910, "Depreciation," and (if not subject to current settlement with the lessor) credited to account 2225, "Provisions for depreciation and replacement of operated plant leased from others." (See particularly § 35.04-3 and paragraph (h) of this section.)

(e) When, under the terms of a lease, the carrier, as lessee, is required to replace or to restore the condition of plant leased from others, the cost of leased plant retired by the lessee shall be credited to account 2330, "Leased operated plant retired." Such amount together with the cost of removal shall be charged, and the salvage value and any other amounts received shall be credited, to account 2225, "Provisions for depreciation and replacement of operated plant leased from others."

(f) The accounting for the retirement of improvements and replacements of leased plant made by the lessee shall be as provided in § 35.1-6.

(g) Upon termination of a lease and transfer of the plant to the lessor, the accounting by the lessor (if a wire-telegraph or an ocean-cable carrier) for improvements and replacements of the leased plant which were made by the lessee shall be as follows:

The plant accounts shall be so adjusted as to include the original cost of the plant returned at the termination of the lease, including the original cost of improvements and replacements made by the lessee, and (as so adjusted) shall be appropriately classified in conformity with § 35.1-1. Account 1515, "Allowance for depreciation; wire-telegraph and ocean-cable plant," and account 1520, "Allowance for amortization; wire-telegraph and ocean-cable plant," shall be so adjusted as to include the required allowances for depreciation and amortization of such plant. The difference between (1) the net amount of the foregoing adjustments and (2) the amount of any settlement with the lessee with respect to such plant, shall be charged to account 1999, "Other deferred charges," or credited to account 2399, "Other deferred credits," as appropriate. Full particulars relating to the difference so recorded with respect to each leasing agreement, together with a plan for the disposition thereof, shall be immediately submitted to the Commission for consideration and approval.

(h) Each carrier, as lessee, shall maintain memorandum accounts entirely independent of these accounts, in which are recorded the cost of, and related allowances with respect to, plant placed under its exclusive control by a leasing agreement and the subsequent retirements of such plant while under the control of the carrier. Separate memorandum accounts shall be maintained for each leasing agreement. The records supporting the memorandum accounts shall be maintained in the same manner and detail as those relating to owned operated plant.

§ 35.1-6 Additions, retirements, and replacements of operated plant.

(a) To the end that the operated plant accounts shall at all times disclose the cost of plant in service, the cost of all additions to, and replacements of, operated plant, whether acquired by construction, purchase, or otherwise, shall be charged (except as

ed in paragraphs (e) and (g) of
ction) to the appropriate plant
ts. The cost of plant retired,
er replaced or not, shall be cred-
xcept as provided in paragraphs
l (g) of this section) to the ac-
or accounts in which such cost
charged.

Vhen any item of operated plant
ed from service for any reason,
ounts in the plant accounts ap-
e to that item shall be credited
, and the retirement entry
ite the original entry in which
corded the cost of the item re-
by name and page of, or other
e identification of, book or
record in which the entry was
except that when such entry
be identified or is not available,
is impracticable to determine
t of any item due to the rela-
large number of items or the
ost thereof, the amount shall
mated with due allowance for
ferences in size and character,
t fact shall be stated in the re-
t entry. The records support-
irement entries shall show also
gregate quantity, in units of
e ordinarily used by the carrier,
type of retirement unit re-
nd the basis used in determin-
cost when estimates are used.

or the purpose of avoiding
refinement, in accounting for
ents and replacements of de-
le operated plant such property
e considered as consisting of (1)
ent units and (2) minor items.
rticularly § 35.1-6-1.)

he cost of any retirement unit
(whether replaced or not) shall
lited to the appropriate plant
. Except as provided in para-
(j) and (k) of this section, the
amount of such cost shall be
l to account 1515, "Allowance
reciation; wire-telegraph and
able plant."

hen minor items that did not
sly exist are added to operated
he cost thereof shall be treated
ant acquisition if a substantial
results. Otherwise, the cost of
ms shall be included in the ap-
te maintenance-expense ac-

(f) When a minor item is retired and not replaced, it shall be accounted for as if it were a retirement unit, except that if the cost of such retired item will be accounted for by its inclusion in the retirement unit of which it is a part when such unit is retired, no separate credit to the plant account is required at the date of retirement.

(g) When a minor item of operated plant is replaced independently of the retirement unit of which it forms a part or with which it is associated, the cost of replacement shall be charged to the account appropriate for the cost of maintenance of the plant with which it is associated, except that, if the replacement effects a substantial betterment (the primary aim of which is to make the plant affected more useful, more efficient, of greater durability, or of greater capacity), that part of the in-place cost of the item installed that is in excess of the cost of the item retired shall be charged to the appropriate operated plant account.

(h) The cost of land retired shall be credited to the appropriate land account. If the cost of the land is includible in account 11, "Land used for right-of-way," its retirement shall be accounted for as provided in paragraphs (c), (d), and (e) of this section. If the cost of the land is includible in account 12, "Land used for building sites," or account 13, "Land used for other operations," its retirement shall be accounted for as provided in paragraph (j) of this section or as provided for in § 35.1-7, as appropriate.

(i) The accounting for franchises, patent rights, leaseholds, and other intangibles retired shall be as provided in paragraph (d) of account 1520, "Allowance for amortization; wire-telegraph and ocean-cable plant." The accounting for the retirement of amounts included in account 85, "Research and development," shall be as provided in the text of that account.

(j) When operated plant is sold, conveyed, or transferred to another person by sale, merger, consolidation, or otherwise, the amount of the consideration received therefor shall be credited to account 92, "Plant sold; undistributed credits," and further accounted for as follows:

(1) The applicable amounts included in account 1935, "Preliminary survey and investigation charges," shall be transferred to account 92, "Plant sold; undistributed credits," and the amounts of commissions and other expenses of making the sale shall be charged to that account.

(2) The cost of the property sold or transferred, including amounts in account 1510, "Plant-acquisition adjustments," that are applicable to such plant, shall be credited to the appropriate plant accounts and charged to account 92, "Plant sold; undistributed credits."

(3) The amounts (estimated if not known) carried with respect to such operated plant in account 1515, "Allowance for depreciation; wire-telegraph and ocean-cable plant," account 1520, "Allowance for amortization; wire-telegraph and ocean-cable plant," account 2315, "Advances for construction," and, if approved by the Commission, account 2515, "Contributions of plant," shall be charged to the respective accounts and credited to account 92, "Plant sold; undistributed credits."

(4) The amount remaining in account 92 applicable to such plant upon the completion of the foregoing entries shall be transferred to account 3899, "Miscellaneous nontransmission revenue," or account 4999, "Other operating-revenue deductions," as appropriate.

(k) Upon termination of a lease and transfer of the plant to the lessor, the cost of improvements and replacements made by the lessee to plant leased from others shall be credited to the plant accounts of the lessee in which they stand charged. The amounts applicable to such plant in account 1515, "Allowance for depreciation; wire-telegraph and ocean-cable plant," and account 1520. "Allowance for amortization; wire-telegraph and ocean-cable plant," shall be cleared from those accounts. The difference between the amounts of the foregoing charges and credits shall be charged or credited, as appropriate, to account 2225, "Provisions for depreciation and replacement of operated plant leased from others." The amount of any settlement with the lessor with respect to such plant shall be charged or credited, as appropriate, to account 2225. The balances then remaining in account 2225 and in account 2230, "Leased operated plant retired," with respect to each such expired lease shall be disposed of in such manner as the Commission may approve or direct.

(l) If, after performing the accounting provided in the foregoing paragraphs of this section and in § 35.04-3, a balance remains in a subaccount of the depreciation or amortization allowance account that has been segregated as applicable to the segment of plant retired, the portion of such balance that is applicable to the calendar year in which the plant is retired, shall be cleared from the allowance account and charged or credited, as appropriate, to the account that was originally charged with the estimated amount of current depreciation or amortization. The remainder of such balance shall be cleared from the allowance account as provided in § 35.03-13.

NOTE: The cost of valuations, inventories, and appraisals in connection with a contemplated sale of plant shall be charged to account 1935, "Preliminary survey and investigation charges."

[28 FR 13147, Dec. 5, 1963, as amended at 28 FR 14324, Dec. 27, 1963; 48 FR 45087, Sept. 30, 1983]

§ 35.1-7 Transfers of plant.

(a) When plant is transferred from one class of communication service to another, the transfer shall be accounted for by transferring the book cost thereof to the appropriate accounts, and likewise any related amounts in the allowance-for-depreciation and allowance-for-amortization accounts shall be transferred to the appropriate allowance accounts.

(b) When depreciable operated plant is transferred entirely to nonregulated operations, the transfer shall be accounted for by crediting the appropriate plant accounts and charging account 1515, "Allowance for depreciation; wire-telegraph and ocean-cable plant," with the cost of the plant transferred. Account 1515 shall then be credited and account 1625, "Nonregulated investments," shall be charged for the fair value of the plant transferred. (See also § 35.1625.)

[28 FR 13147, Dec. 5, 1963, as amended at 48 FR 45087, Sept. 30, 1983]

§ 35.1–8 Continuous property-record required.

(a) Not later than January 1, 1943, each carrier shall begin the preparation of a continuous property-record relating to property of the classes represented in the balance-sheet accounts under the caption, "Communication plant," and in account 1610, "Miscellaneous physical property." The record shall be completed not later than June 30, 1946, with respect to property as at December 31, 1942, and with respect to the changes effected therein between the dates of January 1, 1943, and December 31, 1945: *Provided, however,* That such data shall not be used by the carrier in its permanent records until the approval by the Commission of a plan (and a list of property units) and other details of a continuous property-record procedure to be submitted in compliance with the provisions of paragraph (b) of this section.

(b) Not later than June 30, 1943, each carrier shall submit to this Commission, for consideration and approval, a complete plan of the methods to be used in the compilation of the continuous property-record, the installation and maintenance of which are prescribed in paragraph (a) of this section. The plan shall include a list of the property units proposed for use, classified to conform with the operated plant accounts prescribed in this system of accounts. A narrative statement shall accompany such list of proposed units, describing in detail the content and method of maintenance of all forms and other records which are designed for use in compiling the continuous property-record, to the end that a ready analysis with respect to the sufficiency thereof may be made.

(c) The record shall be arranged in conformity with the operated plant accounts prescribed in this system of accounts. It shall be compiled on the basis of original cost and shall contain such detailed description and classification of the property units as will permit ready verification.

§ 35.1-99 Contemplated form of plant statement.

(See § 35.03-9.)

WIRE-TELEGRAPH AND OCEAN-CABLE PLANT

[In dollars]

Account No. (1)	Particulars (2)	Wire-telegraph plant					Ocean-cable plant					Total wire-telegraph and ocean-cable plant (13)
		Operated plant					Operated plant					
		In carrier's service (1000) (3)	Leased to others (1100) (4)	Leased from others—Improvements and replacements (1200) (5)	Plant held for future communication use (1400) (6)	Total (7)	In carrier's service (1000) (8)	Leased to others (1100) (9)	Leased from others—Improvements and replacements (1200) (10)	Plant held for future communication use (1400) (11)	Total (12)	
	Real estate											
11	Land used for right of way	[1]										
12	Land used for building sites		[2]									
13	Land used for other operations			[3]								
14	Land improvements				[4]							
15	Buildings											
	Total											
	Outside communication lines											
21	Poles											
22	Aerial wire											
23	Aerial cable											
24	Underground cable						[5]					
25	Buried cable							[6]				
26	Submarine cable								[7]			
27	House cable											
28	Underground conduit											
29	Pneumatic tubes											
31	Ocean cable									[8]		
	Total											
	Inside communication plant											
41	Message transmitting and receiving equipment											
42	Repeater and terminal equipment											

43	Switchboards and distributing frames
44	Pneumatic-tube and conveyer equipment
45	Power equipment
46	Messenger call-circuit equipment
47	Time-service equipment
48	Ticker and commercial news service equipment
49	Office cable and conduit
51	Equipment furnished customers
59	Other inside communication plant
	Total
	Office and messenger equipment
61	Furniture and office appliances
65	Messenger uniforms
69	Other office and messenger equipment
	Total
	Work equipment
71	Vehicles
72	Shop equipment
73	Store and warehouse equipment
74	Tools and implements
75	Floating equipment
76	Railway equipment
77	Emergency facilities
78	Laboratory equipment
	Total

WIRE-TELEGRAPH AND OCEAN-CABLE PLANT

[In dollars]

Account No. (1)	Particulars (2)	Wire-telegraph plant					Ocean-cable plant					Total wire-telegraph and ocean-cable plant (13)
		Operated plant					Operated plant					
		In carrier's service (1000) (3)	Leased to others (1100) (4)	Leased from others—improvements and replacements (1200) (5)	Plant held for future communication use (1400) (6)	Total (7)	In carrier's service (1000) (8)	Leased to others (1100) (9)	Leased from others—improvements and replacements (1200) (10)	Plant held for future communication use (1400) (11)	Total (12)	
	Intangibles											
81	Organization											
82	Franchises											
83	Patent rights											
84	Leaseholds											
85	Research and development											
89	Other intangibles											
	Total											
	Total classified plant											
91	Add: Plant acquired; undistributed charges											
92	Deduct: Plant sold; undistributed credits											
	Grand total											

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[1] to [8], inclusive: The accounts represented, if appropriate, at the 8 respective points bearing these symbols shall be numbered, for example, T-1011, T-1112, T-1213, T-4141, C-1024, C-1125, C-1226, and C-1431, respectively.

PRESCRIBED ACCOUNTS

NOTE: Number to the right of the decimal point is the account number.

Real Estate

§ 35.11 Land used for right of way.

This account shall include the cost of land used in wire-telegraph and ocean-cable services for the location of poles, towers, wires, cables, conduits, cable huts, cable houses, and similar operated plant where title to the land is vested in the accounting carrier. (See also §§ 35.84 and 35.4150.)

ITEMS

(See § 35.03-12)

- Assessments for the construction of public improvements.
- Clearing or defending title against claims relating to a period prior to the date of purchase.
- Commissions and fees to brokers, agents, and others.
- Condemnation proceedings, including court costs and special counsel fees.
- Conveyancer and notarial fees.
- Examination and registration of titles.
- Payments to vendors.
- Relocating property or others in the acquisition of land.
- Taxes assumed on land, applicable to a period prior to the date of acquisition.
- Voiding leases to secure possession of land acquired.

NOTE: When land is acquired in excess of that required for wire-telegraph and ocean-cable services or is acquired without a definite plan for its use in such services, its cost shall be included in account 1610, "Miscellaneous physical property," except that the cost of land acquired for use in telephone or radiotelegraph services shall be included in account 1530, "Telephone and radiotelegraph plant."

[28 FR 13147, Dec. 5, 1963, as amended at 28 FR 14324, Dec. 27, 1963]

§ 35.12 Land used for building sites.

(a) This account shall include the cost of land occupied by buildings used in wire-telegraph and ocean-cable services where title to the land is vested in the accounting carrier. (See particularly §§ 35.84 and 35.4150; also the note and the list of items in § 35.11.)

(b) When improved land is acquired the cost shall be fairly apportioned among the accounts appropriate for the land, the land improvements, and the buildings. If the plan of acquistion contemplates the removal of any improvements (including buildings), the total cost of the land and the property to be removed shall be accounted for as the cost of the land, and the net salvage value of the property removed shall be deducted from the cost of the land.

§ 35.13 Land used for other operations.

(a) This account shall include the cost of land used in wire-telegraph and ocean-cable services for material, equipment, and other storage yards and for other purposes except right-of-way and building sites) where title to the land is vested in the accounting carrier. (See particularly §§ 35.84 and 35.4150; also the note and the list of items in § 35.11.)

(b) When improved land is acquired the cost shall be fairly apportioned among the accounts appropriate for the land, the land improvements, and the buildings. If the plan of acquisition contemplates the removal of any improvements (including buildings), the total cost of the land and the property to be removed shall be accounted for as the cost of the land and the net salvage value of the property removed shall be deducted from the cost of the land.

§ 35.14 Land improvements.

This account shall include the cost of improvements (except buildings) made or acquired by the carrier on land used in wire-telegraph and ocean-cable services where title to such improvements is vested in the accounting carrier. (See particularly § 35.1-5; also §§ 35.11, 35.12, 35.13, and 35.15.)

ITEMS

(See § 35.03-12)

- Fences.
- Hedges.
- Lawns.
- Outdoor sprinkling systems.
- Retaining walls. (See also § 35.15.)
- Roads.
- Shrubs.
- Sidewalks.
- Swimming pools, outdoor.
- Tennis courts.
- Trees.
- Yard-lighting equipment.

§ 35.15 Buildings.

(a) This account shall include the cost of buildings used in wire-telegraph and ocean-cable services (except cable huts or cable houses), including all fixtures permanently attached to and made a part of buildings and which cannot be removed therefrom without cutting into the walls, ceilings, or floors, or without in some way impairing the buildings.

(b) Amounts includible in this account shall include the cost of the building foundations and structures, cost incident to the construction or purchase of buildings and to securing possession and title, and the cost of fixtures, machinery, appurtenances, and appliances installed as parts of buildings or used exclusively or predominantly in the operation of the buildings and not specifically includible in other operated plant accounts.

ITEMS

(See § 35.03-12)

Awnings.
Boilers, furnaces, fixtures, and machinery for heating, lighting, and ventilating.
Cable vaults and conduits constructed as part of the building.
Central air conditioning systems.
Commissions and fees to brokers, agents, architects, and others.
Door checks and door stops.
Drainage and sewerage, inside piping and equipment.
Electric wiring.
Elevators and escalators.
Fire-extinguisher systems.
Garages and shops.
General and other office buildings.
Grading, excavating, and preparing grounds for buildings, including the laying out of grounds after construction.
Linoleum and similar floor covering, excluding carpets and rugs.
Motors and generators.
Partitions, excluding movable.
Piers and foundations for machinery constructed as a permanent part of a building.
Platforms, storage or loading.
Power board (where predominantly used for building power).
Refrigeration systems.
Retaining walls (erected in connection with buildings).
Screens, door and window.
Signs; permanent, attached to buildings.
Sprinkling systems.
Storm doors and windows.
Taxes assumed on buildings, applicable to the period prior to the date of acquisition.
Voiding leases to secure possession of buildings acquired.
Water, steam, and gas pipes.
Water-supply systems.
Window shades and ventilators.

NOTE A: This account shall not include the cost of any equipment, apparatus, or wiring used predominantly for generating or controlling electricity for the operation of the communication system.

NOTE B: The cost of cable huts or cable houses and the equipment contained therein shall be included in account 23, "Aerial cable," account 24, "Underground cable," account 25, "Buried cable," account 26, "Submarine cable," or account 31, "Ocean cable," as appropriate.

[28 FR 13147, Dec. 5, 1963, as amended at 32 FR 2637, Feb. 8, 1967]

Outside Communication Lines

§ 35.21 Poles.

This account shall include the cost in place of poles and special fixtures, crossarms, and appurtenances used in the construction of supporting structures for aerial plant, used in wire-telegraph and ocean-cable services.

ITEMS

(See § 35.03-12)

Anchors.
A and H fixtures.
Bolts.
Braces.
Bridge fixtures.
Cable arms.
Clearing routes and trimming trees, except maintenance of previous clearings. (See also § 35.41-7(a)(3).)
Crossarms.
Extension arms.
Guard arms.
Guy clamps.
Guy wire or strand.
Masts.
Permits and privileges for construction (See particularly § 35.1-3(c) (6); also § 35.82.)
Pins, wood.
Poles.
Pole steps.
River-crossing and long-span fixtures.
Strain insulators.
Towers.
Treating and marking poles.

[28 FR 13147, Dec. 5, 1963, as amended at 32 FR 2638, Feb. 8, 1967]

§ 35.22 Aerial wire.

(a) This account shall include the cost in place of aerial wire, insulators, loading coils, and appurtenances used in the construction of such plant for wire-telegraph and ocean-cable services.

(b) Where connection is made to aerial cable, underground cable, buried cable, submarine cable, or ocean cable, this account shall include the cost of aerial wire to the point where the aerial wire connects to the terminal or to the bridle wires leading into the terminal.

(c) Where connection is made to inside wiring, this account shall include the cost of aerial wire to the point where the aerial wire connects to the office protector or to the inside wire.

(d) This account shall include also the entire cost of underground dips, irrespective of the type of construction, employing less than 350 trench feet of conduit or less than 350 feet (including the vertical runs on the poles) of buried cable.

ITEMS

(See § 35.03-12)

Building brackets and rings.
Distributing wire.
Ground wire, clamps, and rods.
Insulators and thimbles.
Loading coils and cases therefor.
Permits and privileges for construction. (See particularly § 35.1-3(c) (6); also § 35.82.)
Pins, steel.
Pole brackets.
Protectors (except office protectors) and arresters.
Repeating coils.
Sleeves.
Tie wires.
Transposition brackets.
Transposition of the circuits in initial construction work and any additions resulting from transposing or retransposing existing circuits.
Wire.

NOTE A: The cost of terminals (including bridle wires) between aerial wire and cable shall be included in the account appropriate for the cost of the cable.

NOTE B: The cost of office protectors shall be included in the account appropriate for the inside plant with which they are associated.

NOTE C: The cost of underground dips 350 feet or more in length shall be included in the account appropriate for the type of plant employed.

§ 35.23 Aerial cable.

(a) This account shall include the cost in place of aerial cable (including cable attached to the outside walls of buildings), suspension therefor, cable terminals, pressure contactor-terminals, terminal huts or houses, loading coils, and appurtenances used in the construction of such plant for wire-telegraph and ocean-cable services.

(b) Where connection is made to aerial wire, this account shall include the cost of the aerial cable and the cost of the terminal in place, including bridle wires (if any), to the point where the aerial wires connect to the aerial-wire side of the terminal or to the bridle wires leading from the terminal.

(c) Where connection is made to underground cable, buried cable, submarine cable, house cable, or ocean cable through a terminal, this account shall include the cost of aerial cable to the first pothead splice on the aerial side of the terminal. Where such connection is made directly to the terminal without a stub or a pothead, this account shall include the cost of the aerial cable to the point of connection to the terminal. Where such connection is made directly, by means of a splice, this account shall include the cost of aerial cable to the splice.

(d) Where connection is made to inside equipment in an office, this account shall include the cost of aerial cable to the point of connection to the main frame, or to the switchboard or terminal in an office where no main frame is used.

(e) This account shall include also the entire cost of underground dips, irrespective of the type of construction, employing less than 350 trench feet of conduit or less than 350 feet (including the vertical runs on the poles) of buried cable.

ITEMS

(See § 35.03-12)

Bonds and grounds.
Cable; block, feeder, main, subsidiary.
Cable clamps.
Cable huts or houses (including contained equipment).

Cable rings.
Cable terminals or boxes.
Cross-connection wires and fuses installed in the first equipment for service of cable terminals or boxes.
Fuse boxes.
Loading coils, building-out condensers, carrier-line filters, and cases therefor.
Main-frame-terminating cable extending to outside aerial cable.
Negative returns.
Permits and privileges for construction. (See particularly § 35.1-3(c)(6); also § 35.82.)
Pole seats and balconies.
Pressure contractor-terminals.
Protectors (except office protectors) and arresters.
Sleeves.
Strand, suspension.
Tree guards.

NOTE A: The cost of terminals (including stubs and potheads) and splices between aerial cable and underground cable, buried cable, submarine cable, house cable, or ocean cable shall be included in the account appropriate for the cost of the cable with which the aerial cable connects.

NOTE B: The cost of underground dips 350 feet or more in length shall be included in the account appropriate for the type of plant employed.

[28 FR 13147, Dec. 5, 1963, as amended at 32 FR 2638, Feb. 8, 1967]

§ 35.24 Underground cable.

(a) This account shall include the cost in place of underground cable, installed in conduit that is reusable in place for other underground cable, together with associated cable terminals, pressure contactor-terminals, terminal huts or houses, loading coils, and appurtenances used in the construction of such plant for wire-telegraph and ocean-cable services.

(b) Where connection is made to aerial wire, this account shall include the cost of the underground cable and the cost of the terminal in place, including bridle wires (if any), to the point where the aerial wires connect to the aerial-wire side of the terminal or to the bridle wires leading from the terminal.

(c) Where connection is made to aerial cable or buried cable through a terminal, this account shall include the cost of underground cable, the cost of the terminal (including stubs and potheads) in place, and the cost of the first pothead splice on the aerial-cable or buried-cable side of the terminal; where such connection is made directly, by means of a splice, this account shall include the cost of the splice.

(d) Where connection is made to submarine cable, house cable, or ocean cable through a terminal, this account shall include the cost of underground cable to the first pothead splice on the underground side of the terminal. Where such connection is made directly to the terminal without a stub or a pothead, this account shall include the cost of the underground cable to the point of connection to the terminal. Where such connection is made directly, by means of a splice, this account shall include the cost of underground cable to the splice.

(e) Where connection is made to inside equipment in an office, this account shall include the cost of underground cable to the point of connection to the main frame (or to the switchboard or terminal, in an office where no main frame is used), including the cost of any cross-connecting frame between the main frame and the cable entrance.

(f) This account shall include also the cost of underground cable used in underground dips in connection with aerial wire or aerial cable when the total length of the conduit employed is 350 trench feet or more.

ITEMS

(See § 35.03-12)

Bonds and grounds.
Cable; feeder, main, subsidiary.
Cable huts or houses (including contained equipment).
Cable terminals or boxes.
Cross-connection wires and fuses installed in the first equipment for service of cable terminals or boxes.
Electrolysis surveys made in the course of installing cable.
Fuse boxes.
Loading coils, building-out condensers, carrier-line filters, and cases therefor.
Main-frame-terminating cable extending to outside underground cable.
Negative returns.
Permits and privileges for construction. (See particularly § 35.1-3(c)(6); also § 35.82.)
Pressure contactor-terminals.
Protectors (except office protectors) and arresters.
Sleeves.
Splicing boxes.

Strand, suspension.

NOTE A: The cost of terminals (including stubs and potheads) and splices between underground cable and submarine cable, ocean cable, or house cable shall be included in the account appropriate for the cost of the cable with which the underground cable connects.

NOTE B: The cost of underground cable used in underground dips employing less than 350 trench feet of conduit shall be included in account 22, "Aerial wire," or account 23, "Aerial cable," as appropriate.

§ 35.25 Buried cable.

(a) This account shall include the cost in place of buried cable, including the protective covering therefor, manholes, splicing boxes, cable terminals, terminal houses or huts, pressure contactor-terminals, loading coils, and appurtenances used in the construction of such plant for wire-telegraph and ocean-cable services.

(b) Where connection is made to aerial wire, this account shall include the cost of the buried cable and the cost of the terminal in place, including bridle wires (if any), to the point where the aerial wires connect to the aerial-wire side of the terminal or to the bridle wires leading from the terminal.

(c) Where connection is made to aerial cable through a terminal, this account shall include the cost of the terminal (including stubs and potheads) in place and the cost of the first pothead splice on the aerial-cable side of the terminal; where such connection is made directly, by means of a splice, this account shall include the cost of the splice.

(d) Where connection is made to underground cable, submarine cable, house cable, or ocean cable through a terminal, this account shall include the cost of buried cable to the first pothead splice on the buried-cable side of the terminal. Where such connection is made directly to the terminal without a stub or a pothead, this account shall include the cost of the buried cable to the point of connection to the terminal. Where such connection is made directly, by means of a splice, this account shall include the cost of buried cable to the splice.

(e) Where connection is made to inside equipment in an office, this account shall include the cost of buried cable to the point of connection to the main frame (or to the switchboard or terminal in an office where no main frame is used), including the cost of any cross-connecting frame between the main frame and the cable entrance.

(f) This account shall include also the cost of buried cable used in underground dips in connection with aerial wire or aerial cable when the total length of the dip (including the vertical runs on the poles) is 350 feet or more.

ITEMS

(See § 35.03-12)

Cable; feeder, main, subsidiary.

Cable huts or houses (including contained equipment).

Cable terminals or boxes.

Cross-connection wires and fuses installed in the first equipment for service of cable terminals or boxes.

Loading coils, building-out condensers, carrier-line filters, and cases therefor.

Main-frame-terminating cable extending to buried cable.

Negative returns.

Pedestals.

Permits and privileges for construction. (See particularly § 35.1-3(c)(6); also § 35.82.)

Pressure contactor-terminals.

Protective covering for buried cable, not reusable in place of other cable, and the cost of manholes and similar items designed specifically for use in such construction.

Protectors (except office protectors) and arresters.

Sleeves.

Splicing boxes.

Trenches—opening and closing in initial buried-cable construction work.

NOTE A: The cost of Terminals (including stubs and potheads) and splices between buried cable and underground cable, submarine cable, house cable, or ocean cable shall be included in the account appropriate for the cost of the cable to which the buried cable connects.

NOTE B: The cost of buried cable used in underground dips employing less than 350 feet of cable (including the vertical runs on the poles) shall be included in account 22, "Aerial wire," or account 23, "Aerial cable," as appropriate.

§ 35.26 Submarine cable.

(a) This account shall include the cost in place of submarine cable (other than transoceanic-type cable) together with associated cable terminals, pressure contactor-terminals, terminal huts or houses, loading coils, and appurtenances used in the construction of such plant for wire-telegraph and ocean-cable services.

(b) Where connection is made to aerial wire, this account shall include the cost of the submarine cable and the cost of the terminal in place, including bridle wires (if any), to the point where the aerial wires connect to the aerial-wire side of the terminal or to the bridle wires leading from the terminal.

(c) Where connection is made to aerial cable, underground cable, or buried cable through a terminal, this account shall include the cost of the terminal (including stubs and potheads) in place and the cost of the first pothead splice on the aerial, underground, or buried-cable side of the terminal. Where such connection is made directly by means of a splice, this account shall include the cost of the splice.

ITEMS

(See § 35.03-12)

Anchoring chains.
Cable; feeder, main.
Cable huts or houses (including contained equipment).
Cable terminals or boxes.
Loading coils, building-out condensers, carrier-line filters, and cases therefor.
Permits and privileges for construction. (See particularly § 35.1-3(c)(6); also § 35.82.)
Pressure contractor-terminals.
Protectors and arresters.
Sleeves.

§ 35.27 House cable.

(a) This account shall include the cost in place of house cable (i.e., inside cable between the termini of outside cable and the terminals provided as a part of communication-equipment assemblies) together with associated cable terminals, conduit or other protective covering, and appurtenances used in the construction and installation of such plant for the origination and distribution of wire-telegraph and ocean-cable services to customers.

(b) Where connection is made to other outside cable through a terminal, this account shall include the cost of the terminal (including stubs and potheads) in place, and the cost of the first pothead splice on the aerial, underground, or buried-cable side of the terminal. Where such connection is made directly, by means of a splice, this account shall include the cost of the splice.

(c) This account shall include also the cost of the terminals connected to house cables for distribution service to customers.

ITEMS

(See § 35.03-12)

Cable.
Cable stubs.
Cable terminals or boxes.
Conduit or other mechanical protection.
Cross-connection wires and fuses installed in the first equipment for service of cable terminals or boxes.
Fuse boxes.
Permits and privileges for construction. (See particularly § 35.1-3(c)(6); also § 35.82.)
Protectors and arresters.
Sleeves.
Strand, suspension.
Straps and clamps.

§ 35.28 Underground conduit.

(a) This account shall include the cost in place of tile, pipe, and other conduit, whether underground, in tunnels, or on bridges, and the cost of manholes, handholes, service boxes, and appurtenances used in the construction of such plant for wire-telegraph and ocean-cable services, whether the line of conduit is used for cables, for pneumatic tubes, or for both cables and tubes.

(b) This account shall include also the cost of conduit used in underground dips in connection with aerial wire or aerial cable when the length of the conduit so used is 350 trench feet or more.

ITEMS

(See § 35.03-12)

Cable guards.
Cable racks.
Conduit.
Manholes, handholes, and service boxes.
Opening trench and repaving.
Permits and privileges for construction. (See particularly § 35.1-3(c)(6); also § 35.82.)
Pumping out and cleaning manholes, handholes, and ducts in initial underground conduit construction work.

Riser pipe.

Note A: The cost of protective covering for buried cable, not reusable in place for other cable, and the cost of trenching, manholes, and similar items provided specifically for use in such construction, shall be included in account 25, "Buried cable."

Note B: The cost of protective covering for penumatic tubes other than conduit, where such covering is not reusable in place for other tubes or for cables, and the cost of trenching, manholes, and similar items provided specifically for use in such construction, shall be included in account 20, "Pneumatic tubes." Wood boxing for tube protection shall not be considered as conduit.

§ 35.29 Pneumatic tubes.

(a) This account shall include the cost in place of outside penumatic tubes, including joints, sleeves, flanges, and other items used in the construction of such plant for wire-telegraph and ocean-cable services, to a point immediately inside the building wall.

(b) This account shall also include the cost of protective covering for pneumatic tubes, other than conduit, where such covering is not reusable in place for other tubes or for cables, and the cost of trenching, manholes, and similar items provided specifically for use in such construction. (See particularly § 35.28.)

ITEMS

(See § 35.03-12)

Bends.
Drainage bonds.
Expansion joints.
Flange couplings.
Handholes (only when used exclusively for pneumatic tubes in connection with protective covering other than conduit).
Insulating joints.
Manholes (only when used exclusively for pneumatic tubes in connection with protective covering other than conduit).
Opening trench and repaving.
Permits and privileges for construction. (See particularly § 35.1-3(c) (6); also § 35.82.)
Protective covering other than conduit.
Sleeves.
Tubes.

Note: Wood boxing for tube protection shall not be considered as conduit.

§ 35.31 Ocean cable.

This account shall include the cost in place of transoceanic-type cable, together with associated cable terminals, sea earths, terminal huts or houses and their contained equipment, and appurtenances used in the construction of such plant for ocean-cable service, including the cost of splicing ocean cables to other outside communication plant.

ITEMS

(See § 35.03-12)

Cable.
Cable houses or huts, including equipment therein.
Cable terminals or boxes.
Loading coils, building-out condensers, carrier-line filters, and cases therefor.
Permits and privileges for construction. (See particularly § 35.1-3(c) (6); also § 35.82.)
Pressure contactor-terminals.
Protectors and arresters.
Sea earths.
Sleeves.
Trenching.

Inside Communication Plant

§ 35.41 Message transmitting and receiving equipment.

(a) This account shall include the cost in place of operating equipment installed in offices of carriers for use in the transmission and reception of message traffic in wire-telegraph and ocean-cable services.

(b) Equipment the cost of which is includible in this account includes Morse equipment, telephone equipment, automatic telegraph equipment, and associated intercommunicating and testing and adjusting equipment; also the items of circuit terminating and repeatering equipment which are installed as integral parts of operating assemblies, and appurtenances used in the construction and installation thereof.

(c) The cost of associated interior wiring, cable, conduit, and power wiring shall be included in this account only to the points of connection with the terminals of the office cable and the power-distribution cable. (See particularly §§ 35.45 and 35.49.)

ITEMS

(See § 35.03-12)

Booths.
Channel extension units or panels.
Channel repeater units.

Distributors.
Duplex printer sets, including duplex or induction-neutralizing equipment, when inherently part of sets.
Equipment tables, racks, or frames.
Facsimile sets.
Installation of way-circuit selectored equipment.
Instrument and panels in above assemblies.
Morse sets.
Multiplex sets, including duplex or induction-neutralizing equipment, when inherently part of the set.
Number stamps (when part of an assembly).
Operating positions of any type.
Original installations of tools and gages.
Perforators.
Printers.
Reperforator-switching office equipment.
Reperforators.
Syphon recorders.
Telephone stations.
Testing equipment.
Translator units.
Transmitters.
Transmitter distributors.
Work tables.

[28 FR 13147, Dec. 5, 1963, as amended at 48 FR 45087, Sept. 30, 1983]

§ 35.42 Repeater and terminal equipment.

(a) This account shall include the cost in place of repeater and terminal equipment installed in offices of carriers for use in wire-telegraph and ocean-cable services, including equipment for repeatering and terminating line wire ground return circuits, metallic circuits, and carrier circuits, together with the appurtenances used in the construction and installation of the assemblies.

(b) The cost of associated interior wiring, cable, conduit, and power wiring shall be included in this account only to the points of connection with the terminals of the office cable and the power-distribution cable. (See particularly §§ 35.45 and 35.49.)

ITEMS

(See § 35.03-12)

Amplifiers.
Carrier bays or terminals.
Carrier or telephone repeaters.
Duplex repeaters.
Duplex terminal sets, including induction-neutralizing equipment when inherently part of the set.
Equipment tables, racks, or frames.
Frequency generators.
Instruments and panels in such assemblies.
Magnifiers.
Regenerative repeaters.
Single line repeaters.
Single line terminals.
Testing equipment.
Voice-frequency ringer, sending or receiving.

§ 35.43 Switchboards and distributing frames.

(a) This account shall include the cost in place of switchboards and distributing frames located in offices of carriers for use in wire-telegraph and ocean-cable services, including main-line and local-loop switchboards, and distributing frames used for terminating lines and local loops and for interconnecting such lines, local loops, and repeater and terminal equipment.

(b) This account shall include also the cost of office switchboards and distributing frames in which the circuit terminals for telegraph-message service are combined with various combinations of terminal equipment for other services such as ticker service, time service, and messenger-call service, including in each case protection equipment, anti-induction equipment, internal wiring, associated testing and adjusting equipment, and the appurtenances used in the construction and installation of such assemblies.

(c) The cost of associated interior wiring, cable, conduit, and power wiring shall be included in this account only to the points of connection with the terminals of office cable, power-distribution cable, or outside communication lines. (See §§ 35.21 to 35.31, inclusive; also §§ 35.15, 35.45, and 35.49.)

ITEMS

(See § 35.03-12)

Channel switchboard panels.
Concentration boards.
Distributing frames or racks.
Induction-neutralizing equipment.
Intermediate switchboard frames.
Line-testing equipment.
Panels or units of relay racks, complete with equipment.
Protector groups.
Sections of switchboard.
Sets of simplex or composite coils, or accessories.
Telephone sets (used on switchboards).
Turrets.

§ 35.44 Pneumatic-tube and conveyor equipment.

(a) This account shall include the cost in place of interior pneumatic tubes, tube senders, outlets, blowers, compressors, air connections, and associated equipment, and appurtenances used in the construction and installation of such plant in offices of carriers for use in wire-telegraph and ocean-cable services, including such plant from a point immediately inside the building wall. (See also § 35.29.)

(b) This account shall include also the cost in place of belt conveyers, belt-supporting structures, driving motors, and other message-conveyer equipment, together with the appurtenances used in the construction and installation of such plant in offices of carriers.

(c) The cost of associated interior wiring, cable, conduit, and power wiring shall be included in this account only to the points of connection with the terminals of the office cable and the power-distribution cable. (See particularly §§ 35.45 and 35.49.)

ITEMS

(See § 35.03-12)

Belt frameworks.
Belts.
Blowers.
Compressors.
Conveyor systems.
Inside tubing.
Motors.
Rollers.
Sending or receiving terminals.
Timers.
Tube ends—complete with manifolds, sending inlets, receiving terminals, driving equipment, and blowers or compressors.
Tube pairs—complete with manifolds, reversing valves, sending inlets, and receiving terminals.

§ 35.45 Power equipment.

(a) This account shall include the cost in place of power generating, converting, storage, and distribution equipment in or adjacent to the carrier's offices, serving as, or associated with, the prime source of power and used exclusively or predominately in the operation of the communication system in wire-telegraph and ocean-cable services.

(b) Equipment the cost of which is includible in this account includes assemblies of power equipment such as storage batteries, motor-generator and engine-generator sets, rectifiers, distribution boards, zone cabinets, transformers, interior power wiring, cable, and conduit, and appurtenances used in the construction and installation of the assemblies.

ITEMS

(See § 35.03-12)

Battery racks or cabinets.
Chargers.
Circuit breakers.
Compensators.
Engine-generator sets.
Engines.
Feeders or entrance wiring.
Fuse panels.
Generators.
Interior wiring, cable, and conduit.
Meters.
Motors.
Motor-generator sets.
Power factor correction equipment.
Power plants.
Power zone cabinets.
Rectifiers.
Starters.
Storage batteries.
Switchboards.
Transformers.

NOTE A: The cost of inexpensive items of power equipment such as small motor generators, rectifiers, and batteries included as integral parts of assemblies of communication equipment shall be included in the operated plant account appropriate for the cost of the assemblies of which such inexpensive items form a part.

NOTE B: The cost of the initial installation of dry-cell batteries shall be included in the accounts appropriate for the operated plant with which they are associated, and the cost of replacement shall be included in the account appropriate for the maintenance of such plant.

NOTE C: The cost of power equipment installed and used exclusively or predominantly for building service, such as for lighting and for elevator operation shall be included in account 15, "Buildings."

§ 35.46 Messenger call-circuit equipment.

(a) This account shall include the cost in place of call-circuit cabinets, switchboards, annunciators, registers, call boxes, associated testing and adjusting equipment, and appurtenances used in the construction and installation of assemblies of messenger call-circuit equipment located in offices of carriers for use in wire-telegraph and ocean-cable services.

(b) The cost of associated interior wiring, cable, conduit, and power wiring shall be included in this account only to the points of connection with the terminals of the office cable and the power-distribution cable. (See particularly §§ 35.45 and 35.49.)

ITEMS

(See § 35.03-12)

Annunciator units.
Buzzer systems.
Call boxes, with or without associated wiring and accessories.
Call-circuit cabinets.
Line or test units.
Registers.
Sections of call-circuit switchboards.

NOTE: The cost of switchboards composed of combination panels for time and messenger call-circuits shall be included in account 47, "Time-service equipment."

§ 35.47 Time-service equipment.

(a) This account shall include the cost in place of master clocks, control clocks, synchronizing-circuit equipment, time-service control cabinets and switchboards, time repeaters, switchboards composed of combination panels for time and messenger call-circuits, and other central office time-service equipment, together with associated testing and adjusting equipment, and appurtenances used in the construction and installation of the assemblies, located in offices of carriers for use in furnishing synchronizing and other signals on circuits to carriers' and customers' clocks, and to furnish other similar services.

(b) The cost of associated interior wiring, cable, conduit, and power wiring shall be included in this account only to the points of connection with the terminals of the office cable and the power-distribution cable. (See particularly §§ 35.45 and 35.49.)

ITEMS

(See § 35.03-12)

Cabinets.
Control clocks.
Control panels.
Control relays and resistance units.
Master clocks.
Master or secondary relays.
Resistance panels.
Sections of switchboard.
Time repeaters.

NOTE A: Time stamps and office clocks (other than master and control clocks) installed in offices of carriers shall be included in account 61, "Furniture and office applicances."

NOTE B: [Reserved]

[28 FR 13147, Dec. 5, 1963, as amended at 48 FR 45087, Sept. 30, 1983]

§ 35.48 Ticker and commercial news service equipment.

(a) This account shall include the cost in place of equipment installed in offices of carriers for use exclusively in the dissemination of commercial news services to carriers' and customers' offices.

(b) Equipment the cost of which is includible in this account includes assemblies of transmitting, receiving, repeatering, and terminal equipment for operation of ticker and other circuits, associated testing and adjusting equipment, and appurtenances used in the construction and installation thereof.

(c) The cost of associated interior wiring, cable, conduit, and power wiring shall be included in this account only to the points of connection with the terminals of the office cable and the power-distribution cable. (See particularly §§ 35.45 and 35.49.)

ITEMS

(See § 35.03-12)

Auxiliary switchboards.
CND repeaters.
Sound-proof covers.
Stands.
Tables of equipment, such as perforators and transmitter distributors, relays, repeater relays, and tickers.
Tickers.
Transmitters.

[28 FR 13147, Dec. 5, 1963, as amended at 48 FR 45087, Sept. 30, 1983]

§ 35.49 Office cable and conduit.

This account shall include the cost in place of cable, conduit, cable racks and hangers, terminal cabinets, and associated appurtenances used in the construction and installation of the signal wiring in carriers' offices (a) from the distributing frame or other point of connection with outside wire or cable to the terminals provided for making connections with the wiring of assemblies of communication equipment and (b) between assemblies of communication equipment.

ITEMS

(See § 35.03-12)

Cable.
Cable racks.
Conduit.
Hangers.
Terminal cabinets.
Wire.

NOTE A: The cost of power cabling and associated appurtenances used for power distribution shall be included in account 45, "Power equipment," or account 15, "Buildings," as appropriate.

NOTE B: The cost of house cable leading to equipment in branch offices in office buildings shall be included in account 27 "House cable."

§ 35.51 Equipment furnished customers.

(a) This account shall include the cost in place of message transmitting and receiving, ticker, stock and commercial news, time-service, pneumatic-tube, messenger call-circuit, telephone, and other inside communication equipment located in offices of customers, together with the appurtenances used in the construction and installation thereof.

(b) The cost of associated interior wiring, cable, conduit, and power wiring shall be included in this account only to the points of connection with the terminals of the house cable, or other outside plant if no house cable is used, and the power-distribution outlets.

(c) Separate subaccounts shall be maintained to show the respective costs of each of the several classes of equipment furnished customers. These classes shall correspond to those represented in §§ 35.41 to 35.48 inclusive, and § 35.59, respectively, or correspond to the classes most nearly comparable therewith that are furnished customers under the carrier operating practices.

ITEMS

(See § 35.03-12)

Buzzer systems.
Call boxes.
Data sets.
Facsimile equipment.
Motor-generator sets.
Pneumatic-tube terminals.
Printer sets.
Rectifiers.
Switchboards.
Telephone sets.
Tickers.
Facsimile equipment.

[28 FR 13147, Dec. 5, 1963, as amended at 32 FR 2638, Feb. 8, 1967]

§ 35.59 Other inside communication plant.

(a) This account shall include the cost in place of inside communication equipment installed in offices of carriers for use in wire-telegraph and ocean-cable services and not includible in other operated plant accounts.

(b) The cost of associated interior wiring, cable, conduit, and power wiring shall be included in this account only to the points of connection with terminals of the office cable and the power-distribution cable. (See particularly §§ 35.45 and 35.49.)

Office and Messenger Equipment

§ 35.61 Furniture and office appliances.

This account shall include the cost in place of furniture and office appliances located in operating offices, general offices, storerooms, shops, laboratories, and similar premises of the carrier, for use in wire-telegraph and ocean-cable services.

ITEMS

(See § 35.03-12)

Accounting machines.
Adding and listing machines.
Addressing machines and equipment.
Air-conditioning units (not part of a building).
Beds, cots, or couches.
Benches, messenger.
Bicycle racks.
Bookcases.
Card-punching, card-sorting, or card-tabulating machines.
Carpets, rugs, or other floor coverings.
Cash registers.
Chairs.
Clocks.
Computing machines.
Counters.
Data processing equipment.
Date stamps.
Davenports.

Dehumidifying units, portable.
Desks.
Dictionaries or code books.
Dictographs or other interoffice communication equipment.
Dishes.
Drafting-room equipment.
Drapes.
Duplicating machines.
Electric fans.
Filing cabinets.
Floor-scrubbing and polishing machines.
Lockers (single or multiple).
Messenger dressing booths.
Microfilm equipment.
Multigraphs.
Partitions, movable.
Pianos.
Projection equipment.
Refrigerators.
Safes.
Signs (illuminated or non-illuminated).
Sorting racks.
Stationery cabinets.
Steel shelves.
Storage cabinets, shelves, or racks (except those in shops or storerooms).
Tables.
Television sets.
Time stamps.
Typewriters.
Water coolers.

NOTE A: The cost of furniture and office equipment located on, and constituting a part of, vehicles, floating equipment, or railway equipment shall be included in account 71, "Vehicles," account 75, "Floating equipment," or account 76, "Railway equipment," as appropriate.

NOTE B: The cost of furniture and office equipment constituting component parts of assemblies of operating equipment shall be included in the account appropriate for the cost of the equipment with which it is associated.

NOTE C: The cost of fixtures permanently attached to and made a part of buildings shall be included in account 15, "Buildings."

[28 FR 13147, Dec. 5, 1963, as amended at 32 FR 2638, Feb. 8, 1967]

§ 35.65 Messenger uniforms.

(a) This account shall include the cost (if in excess of $1,000) of messenger uniforms owned by the carrier as at the effective date of this system of accounts.

(b) If at any time a change in operation involves a substantial increase in the number of uniforms required for service, this account shall be charged with amounts representing the cost, at weighted average prices, of such additional uniforms.

(c) If at any time a change in operation involves a substantial decrease in the number of uniforms required for service, this account shall be credited with amounts representing the cost, at weighted average prices, of the uniforms retired and the amount of such retirements shall be equitably apportioned between account 4231, "Messenger-uniform expense," and the subdivision of account 1515, "Allowance for depreciation; wire-telegraph and ocean-cable plant," in which the estimated accrued depreciation on uniforms in service at the effective date of this system of accounts was recorded.

ITEMS

(See § 35.03-12)

Belts.
Blouses.
Breeches.
Caps and hats.
Coats.
Neckties.
Overcoats.
Puttees.
Raincoats and raincapes.
Shirts.
Skirts.
Trousers.

NOTE A: Except as provided in paragraph (b) of this section, the cost of uniforms purchased subsequent to the effective date of this system of accounts shall be included in account 4231, "Messenger-uniform expense."

NOTE B: The allowance for depreciation applicable to the messenger uniforms the cost of which is includible in this account as at the effective date of this system of accounts, shall be segregated in a separate subaccount of account 1515, and shall be held (except as provided in paragraph (c) of this section) as a permanent offset against the amounts in this account.

§ 35.69 Other office and messenger equipment.

This account shall include the cost in place of office and messenger equipment used in wire-telegraph and ocean-cable services and not includible in other accounts.

Work Equipment

§ 35.71 Vehicles.

This account shall include the cost of transportation equipment not includible in other operated plant accounts, together with work equipment, tools, and appurtenances constituting parts of, or permanently attached to, such equipment, used in wire-telegraph and ocean-cable services.

ITEMS

(See § 35.03-12)

Automobiles.
Cable-splicers' carts.
Hand trucks and carts.
Mobile telegraph offices.
Motorcycles.
Trailers.
Trucks and tractors (including attached work equipment, such as earth-boring machines, pumps, winches, and similar items).

NOTE: The cost of material, supplies, tools, implements, and work equipment not specifically associated with or used in the operation of vehicles but merely transported thereon to the point of use shall be included in the appropriate material, plant, maintenance, clearing, or other account. Equipment for communication service, even if permanently attached to vehicles, shall be included in the account appropriate for such communication equipment.

[28 FR 13147, Dec. 5, 1963, as amended at 32 FR 2638, Feb. 8, 1967]

§ 35.72 Shop equipment.

(a) This account shall include the cost in place of equipment located in general repair shops, pole-treating plants, car shops, garages, and similar shops used for constructing, assembling, and repairing plant used in wire-telegraph and ocean-cable services.

(b) Equipment the cost of which is includible in this account includes electric generators, motors, and other power equipment, together with foundations, settings, belting, drives, and other appurtenances constituting parts of shop-equipment assemblies; also the tools and other implements especially provided for and used in conjunction with such equipment, and the items of furniture ordinarily constituting parts of such assemblies.

ITEMS

(See § 35.03-12)

Air compressors.
Blowers.
Boring mills.
Compressed-air tools.
Cranes.
Derricks.
Engines.
Forges.
Gasoline pumps and tanks.
Generators, electric and gas.
Hand trucks.
Lathes.
Milling machines.
Motors.
Oil pumps and tanks.
Planers.
Pole-treating equipment.
Power drills.
Power hammers.
Power loaders
Presses.
Pumps.
Racks or shelving, movable.
Storage cabinets.
Tools and implements provided for shops.
Winches.
Work benches.

NOTE A: The cost of shop equipment located on floating equipment, railway equipment, or vehicles shall be included in the account appropriate for the cost of the equipment on which it is located.

NOTE B: The cost of foundations and of fixtures which cannot be removed from buildings without cutting into the walls, ceilings, or floors, or without in some way impairing the buildings, shall be included in account 15, "Buildings."

§ 35.73 Store and warehouse equipment.

This account shall include the cost of equipment and appurtenances located in storerooms, warehouses, and material yards for the receiving, storing handling, packing, and loading for shipment of materials and supplies, used in wire-telegraph and ocean-cable services.

ITEMS

(See § 35.03-12)

Barrows.
Bins, portable.
Cabinets, movable.
Conveyors.
Counters, movable.
Cranes.
Gasoline pumps.
Gasoline tanks.
Hand trucks and carts.
Hoists.
Ladders.
Oil pumps.
Oil tanks.
Scales.
Shelving, movable.
Skids.

Tools provided for warehouses.
Trucks.
Wire-measuring machines.

NOTE A: The cost of store and warehouse equipment located on floating equipment, railway equipment, or vehicles shall be included in the account appropriate for the cost of the equipment on which it is located.

NOTE B: The cost of fixtures or shelving permanently attached to and constituting a part of buildings shall be included in account 15, "Buildings."

§ 35.74 Tools and implements.

This account shall include the cost of general tools, implements, and appurtenances used in the construction and maintenance of plant for use in wire-telegraph and ocean-cable services and not specifically includable in other operated plant accounts.

ITEMS

(See § 35.03-12)

Air compressors, mobile.
Black-filling machines.
Blowers, power.
Compressed-air tools.
Concrete mixers and breakers.
Cranes, mobile.
Derricks, mobile.
Drills and hammers, power.
Earth-boring machines (not permanently attached to vehicles).
Forges, portable.
Hand tools
Hand trucks, carts, and barrows.
Loaders, power.
Testing equipment, portable.
Torches.
Trenching machines.

NOTE A: The cost of tools carried as supplies unissued shall be included in account 1795, "Material and supplies."

NOTE B: The cost of hand and other portable tools that have relatively small value or short life shall be accounted for as provided in § 35.1-1(d).

NOTE C: Tools and implements used primarily in conjunction with inside communication equipment, floating equipment, railway equipment, vehicles, shops, stores and warehouses, or laboratories shall be included in the account appropriate for the cost of the equipment with which they are associated.

§ 35.75 Floating equipment.

(a) This account shall include the cost of ships, launches, barges, and other vessels used for the transportation of employees, materials, and supplies, and for the construction and maintenance of plant, used in wire-telegraph and ocean-cable services.

(b) Equipment the cost of which is includable in this account includes the furnishings, tools, implements, and other appurtenances constituting a part of, specifically associated with, or used in the operation of, such floating equipment.

ITEMS

(See § 35.03-12)

Barges.
Boats.
Boilers.
Cranes.
Engines.
Furniture.
Hoists.
Launches.
Office equipment.
Radio equipment.
Rigging.
Ships.
Shop equipment.
Store and warehouse equipment.
Testing and adjusting equipment.
Tools and implements.
Winches.

NOTE: The cost of material, supplies, tools, implements, and work equipment not specifically associated with or used in the operation of floating equipment but merely transported thereon to the point of use shall be included in the appropriate material, plant, maintenance, clearing, or other account. Equipment for communication service, even if permanently attached to floating equipment, shall be included in the account appropriate for such communication equipment.

§ 35.76 Railway equipment.

(a) This account shall include the cost of officers' cars, camp cars, hand cars, motor cars, pole cars, push cars, velocipedes, and other railway equipment used for the transportation of employees, materials, and supplies, and for the construction and maintenance of plant, used in wire-telegraph and ocean-cable services.

(b) Equipment the cost of which is includable in this account includes assemblies complete with all component parts, including furniture and other furnishings, office appliances, tools, implements, and other work equipment, and appurtenances attached to, permanently associated with, or especially provided for use in conjunction with railway equipment.

ITEMS

(See § 35.03-12)

Cars.
Car bodies or tanks.
Car underframes.
Cranes.
Derricks.
Furniture.
Hand cars.
Push cars.
Railway cars.
Shop equipment.
Store and warehouse equipment.
Testing equipment.
Tools necessary for the maintenance and operation of the railway equipment.
Velocipedes.

NOTE: The cost of material, supplies, tools, implements, and work equipment not specifically associated with or used in the operation of railway equipment but merely transported thereon to the point of use shall be included in the appropriate material, plant, maintenance, clearing, or other account. Equipment for communication service, even if permanently attached to railway equipment, shall be included in the account appropriate for such communication equipment.

§ 35.77 Emergency facilities.

(a) This account shall include the cost of emergency cable, portable transmission equipment, portable engine-generator sets, and other portable equipment used for furnishing temporary or emergency wire-telegraph and ocean-cable services while plant is under construction or repair or is out of service awaiting replacement or repair. The cost of such equipment shall be charged to this account when first provided for emergency service and shall be credited hereto when the equipment is ultimately retired or is permanently placed in regular communication service.

(b) Statistical records supporting the entries in this account shall be so maintained as to show for each emergency facility (1) the cost, (2) the type and quantity of plant, and (3) the duration of each period of use between the date of original entry in this account and the date of retirement by way of withdrawal from emergency service.

ITEMS

(See § 35.03-12)

Cable, emergency.
Engine generator sets, portable.
Transmission equipment, portable.

NOTE: When emergency facilities are permanently placed in regular service the cost of such plant shall be credited to this account and charged to the account appropriate for the cost of other plant involving similar use.

§ 35.78 Laboratory equipment.

(a) This account shall include the cost in place of laboratory and other equipment used for research, development, testing, and other general laboratory purposes for wire-telegraph and ocean-cable services.

(b) Equipment the cost of which is includable in this account comprises assemblies of power equipment and other inside communication equipment complete with driving mechanisms, shop and storeroom equipment, tools, implements, and portable testing equipment regularly assigned to laboratory use.

ITEMS

(See § 35.03-12)

Amplifiers.
Balances and scales.
Barometers.
Blowers.
Bridges, electrical measuring.
Cabinets, laboratory.
Cable, artificial.
Condensers.
Dynamometers.
Filters, electric.
Furnaces, electric.
Gages.
Galvanometers.
Glassware; beakers, burettes, etc.
Grinders and polishers.
Hoods, laboratory.
Indicators, frequency.
Inductances.
Insulation testing sets.
Machine tools.
Magnifiers, selenium.
Meters, electric; various.
Microscopes.
Networks.
Oscillators.
Oscillographs (including cathode rays).
Photographic equipment.
Piping (including conduit).
Potential unit assemblies.

Potentiometers. (Checking and calibrating sets.)
Power equipment.
Rheostats.
Stills.
Tables, laboratory.
Testing equipment.
Testing machines.
Thermocouples.
Tools.
Vibrators.

Intangibles

§ 35.81 Organization.

This account shall include the cost of organizing and incorporating the accounting carrier until it is ready to function as a going concern; also similar elements of cost in connection with the extension of the term of incorporation when the initial organization costs have been written off.

ITEMS

(See § 35.03-12)

Cost of obtaining certificates authorizing the carrier to engage in the public communication business.
Fees and expenses of incorporation.
Fees and expenses of mergers or consolidations.
Office and other expenses incident to organizing the carrier.

NOTE A: Discounts upon securities issued or assumed, debt expense, and stock expense shall be excluded from this account and account for as provided in §§ 35.10-13 and 35.10-14.

NOTE B: This account shall not include the cost of preparing and filing papers in connection with the extension of the term of incorporation unless the first organization costs have been written off.

NOTE C: This account shall not include any organization costs of companies retiring as a result of mergers, consolidations, or reorganizations.

§ 35.82 Franchises.

(a) This account shall include the cost of franchises, consents, and certificates running in perpetuity or for a specified term of more than 1 year, issued to the carrier by governmental agencies, States or other political entities as authorization for conducting a communications business.

(b) Among the items that are includable in this account are the cost of franchises acquired by assignment, the cost of cable-landing rights, and the cost of plant, material, supplies, and equipment given as the initial consideration for franchises.

ITEMS

(See § 35.03-12)

Amounts, other than those includable in account 81, "Organization," paid to a national government, a State, or any political entity as a condition precedent to engaging in communication business.
Cost of franchises acquired by assignment.
Cost of plant, material, supplies, and equipment given as the initial consideration for franchises.
Election costs assumed by the carrier for government consent.

NOTE A: Amortization of amounts included in this account shall be accounted for as provided in § 35.1520.

NOTE B: The cost of franchises running for 1 year or less after acquisition shall be included in account 4341, "Franchise requirements," or if such franchises extend beyond the current calendar year, the proper proportion of their respective costs shall be included in account 1899, "Other prepayments."

NOTE C: Franchises acquired at small cost may be included in account 4341, irrespective of their term of life.

NOTE D: Franchise taxes payable annually or more frequently shall be included in account 4932, "Other taxes; Operating."

§ 35.83 Patent rights.

(a) This account shall include the cost of patent rights, having a life of more than 1 year from the date of acquisition, acquired for use in connection with the carrier's wire-telegraph and ocean-cable operations.

(b) Among the items that are includable in this account are the costs incident to defending title, fees of patent attorneys filing and registration fees, research and development expenses directly assignable, and other expenses for legal and other services incident to the acquiring of patent rights or to the registration of a patent.

NOTE A: Amortization of amounts included in this account shall be accounted for as provided in § 35.1520.

NOTE B: The cost of developing items that are intended to be patented or of improving items that have been patented shall be initially included in account 9011, "Research and development clearing account," or other appropriate account. (See particularly § 35.03-10.)

NOTE C: The cost of patent rights having an estimated service life of 1 year or less or such rights acquired at a relatively small cost shall be included in account 4399, "Other general expenses."

§ 35.84 Leaseholds.

(a) This account shall include the cost of leaseholds, easements, and similar rights, having a life term of more than 1 year from the date of acquisition, in land and other property acquired for use in wire-telegraph and ocean-cable services.

(b) Costs includable in this account include conveyancer and notary fees, costs of relocating property of others, special counsel and other fees, taxes assumed on leased property applicable to a period prior to the date of the lease, and other costs incurred in connection with the acquisition of leaseholds.

NOTE A: Amortization of amounts included in this account shall be accounted for as provided in § 35.1520.

NOTE B: The cost of permits for the construction of operated plant when the expected period of occupancy under such permits does not exceed the estimated life of the initial plant installed, shall be included in the account appropriate for the cost of the plant constructed.

NOTE C: Annual or more frequent payments of rent shall be included in account 5205, "Rent for lease of operated plant," account 4261, "Rents for operating offices," account 4269, "Rents for other facilities," or account 4499, "Other administrative expenses," as appropriate.

§ 35.85 Research and development.

(a) This account shall include the cost of research and development work performed in connection with the construction and operation of plant, and in connection with the systems and methods used and available for use by the carrier in wire-telegraph and ocean-cable services where the cost of such work is not directly assignable to definite operated plant or assemblies of equipment, is not includable in other operated plant accounts, and is not includable in current operating-expense or other accounts.

(b) Amounts includable in this account comprise the pay and expenses of engineers engaged in research and development, the cost of models, the allocable portion of expenses for supervision, clerical forces, materials, supplies, rents, and other expenses incurred in maintaining general laboratories, and amounts cleared from account 9011, "Research and development clearing account," that are includable under the provisions of paragraph (a) of this section.

(c) Allowances for amortization of amounts includable in this account shall be established in conformity with the provisions of § 35.1520, in amounts sufficient to extinguish any item includable in this account not later than 20 years following the calendar year in which that item was first introduced into this account.

(d) The amount of the appropriate amortization charges for any year may be equally distributed over the 12 months of that year as charges to account 4915, "Amortization; intangible operated plant," and credits to account 1520, "Allowance for amortization; wire-telegraph and ocean-cable plant."

(e) As at the end of the calendar year in which the final credits to account 1520 have been made with respect to any item included herein, account 1520 shall be charged and this account shall be credited with the amount of the item (e.g., an amortization period of 15 years with respect to an amount charged to this account during 1941 would require retiring such amount by charging it to account 1520 at the end of the year 1956, at which time the accumulated amortization credits in that account applicable to the item should be equal to the amount of the item).

NOTE A: The cost of preliminary surveys, plans, and investigations shall be accounted for as provided in § 35.03-10.

NOTE B: The cost of research and development work performed in connection with specific construction projects shall be included in account 1300, "Plant under construction," as provided in § 35.1-3(c)(12).

NOTE C: Amounts included in account 9011, "Research and development clearing account," representing incomplete projects shall be retained therein pending completion, and amounts therein relating to projects abandoned or found unsuccessful shall be charged to account 6120, "Extraordinary current income charges," unless otherwise authorized or directed by the Commission.

NOTE D: That part of the balance in this account which pertains to research and development work performed in connection with systems and methods available for use, but not used, by the carrier, shall be classified in balance-sheet account 1400, "Plant held for future communication use." (See particularly columns 6 and 11 of the form of plant statement shown in § 35.1-99.)

§ 35.89 Other intangibles.

(a) This account shall include the cost of intangibles associated with wire-telegraph and ocean-cable operations that are not provided for elsewhere.

(b) The records supporting the entries in this account shall be so maintained that in the reports to the Commission complete information can be furnished with respect to each of the several amounts included in this section.

Other Plant Accounts

§ 35.91 Plant acquired; undistributed charges.

(a) This account shall be charged temporarily with the acquisition cost of plant acquired by the carrier, under any of the circumstances provided for in § 35.1-2, pending distribution thereof to the appropriate accounts.

(b) Within 90 days from the date of entry herein recording an acquisition, the carrier shall submit to the Commission a statement indicating the approximate date that clearance is contemplated.

§ 35.92 Plant sold; undistributed credits.

This account shall be credited temporarily with the selling price of plant, pending distribution thereof to the appropriate accounts. (See particularly § 35.1-6(j).)

INCOME AND EARNED-SURPLUS ACCOUNTS

INSTRUCTIONS

§ 35.30-1 Purpose of income accounts.

The income accounts are designed to show for each month and each calendar year the amounts of (a) ordinary income, comprising operating revenues, operating-revenue deductions (including operating expenses), other communication income, income from noncommunication sources and deductions from such income, (b) extraordinary income charges and credits, comprising extraordinary gains, losses, and adjustments affecting current income resulting from factors other than operations and substantial adjustments applicable to but not recognized in prior years, and (c) deductions from net income, such as income taxes.

§ 35.30-2 Income from debt-redemption and other funds.

(a) Interest, dividends, and other income derived from funds classified in accounts 1630 to 1659, inclusive, shall be credited to account 5135, "Income from debt-redemption and other funds."

(b) When the income is required by contractual or other provisions to be held in the fund from which the income arises, an amount equal to the income shall be included in the fund to which it is applicable.

(c) When income derived from these funds is required to be retained in the fund and the fund is represented by a reserve, amounts equal to such income shall be charged to account 8310, "Contractual appropriations of earned surplus," or account 8320, "Miscellaneous appropriations of earned surplus," as appropriate, and credited to the appropriate reserve accounts. (See also §§ 35.2610 and 35.2620.)

§ 35.30-3 Rents includible in income accounts.

(a) Rentals which the carrier receives from others for operated plant the cost of which is includible in account 1100, "Operated plant leased to others," shall be credited to account 5010, "Income from operated plant leased to others."

NOTE: Rentals from operated plant the cost of which is includible in accounts 1000, "Operated plant in carrier's service," and 1200, "Improvements and replacements of operated plant leased from others," shall be credited to the appropriate nontransmission-revenue account. (See §§ 35.3410 to 35.3499, and 35.3810 to 35.3899, inclusive.)

(b) Taxes, depreciation, amortization, uncollectible rentals, and maintenance and other expenses applicable to plant the income from which is includible in account 5010, "Income from operated plant leased to others," shall be charged to that account by the lessor.

(c) Rents paid by the carrier for the exclusive use of substantially complete operating systems or operating units shall be charged to account 5205, "Rent for lease of operated plant." When taxes, depreciation, amortization, or operating expenses applicable to the leased plant are initially accounted for by the lessor, such amounts shall be charged to the appropriate tax, depreciation, amortization, or operating expense account by the lessee and credited to account 5205. The lessor shall inform the lessee of the appropriate distribution of such charges.

(d) Taxes, depreciation, amortization, and maintenance and other expenses applicable to leased plant initially accounted for by the lessee shall be charged by the lessee to the appropriate tax, depreciation, amortization, maintenance, or other account.

§ 35.30–4 Disposition of balances in income accounts.

The net balance of the income accounts (after the deductions provided for in accounts 7000 to 7099, inclusive) shall be transferred to account 8110, "Balance transferred from income accounts," at the end of each calendar year.

§ 35.30–5 Purpose of earned-surplus accounts.

The earned-surplus accounts are designed to show the changes relating to earned surplus, during each calendar year, resulting from (a) the net amount of profit or loss during the period as reflected in the income accounts, (b) accounting adjustments (usually confined to changes in the stated capital of the corporation or to transactions in its own capital stock) not attributable to income under the provisions of this system of accounts, (c) appropriations of earned surplus for specific purposes, and (d) appropriations for dividends.

§ 35.30–6 Disposition of balances in earned-surplus accounts.

The net balance of the earned-surplus accounts shall be transferred to account 2699, "Unappropriated earned surplus," at the end of each calendar year.

§ 35.30–99 Contemplated form of income and earned-surplus statement.

(See § 35.03–9.)

INCOME AND EARNED-SURPLUS STATEMENT

Account No. and Particular		
INCOME		
Ordinary Income—Communication		
8000 Operating revenues		$
		$
(Operating-revenue deductions)		
4000 Operating expenses	$	
4910 Depreciation		
4915 Amortization, intangible operated plant		
4920 Amortization of plant-acquisition adjustments		
4925 Extraordinary plant losses		
4931 Social security taxes; operating		
4932 Other taxes; operating		
4935 Uncollectible revenues		
4945 Telephone and radiotelegraph operating-revenue deductions		
4950 Revenue-contract payments		
4999 Other operating-revenue deductions		$
		$
(Other communication income)		
5010 Income from operated plant leased to others		$
5015 Income from telephone and radiotelegraph plant leased to others		
5020 Profit from general services, licenses, and royalties		
5089 Income from foreign operations		
5099 Other communication income		
Operating income		$
Ordinary Income—Noncommunication		
5111 Income from nonregulated investments	$	
5120 Dividend income		
5125 Interest income		
5135 Income from debt-redemption and other funds		
5140 Gain or loss on foreign currency exchange (if loss, in red)		
5199 Other noncommunication income		$
Gross ordinary income		$

INCOME AND EARNED-SURPLUS STATEMENT—Continued

Account No. and Particulars		
Deductions From Ordinary Income		
5205 Rent for lease of operated plant	$........	
5210 Interest on long-term debt	....	
5215 Interest on indebtedness to affiliates	....	
5220 Amortization of debt discount	....	
5225 Interest charged to construction—Cr (red)	....	
5230 Amortization of debt premium—Cr (red)	....	
5233 Interest on past-due tax assessments	....	
5235 Other interest charges	....	
5240 Taxes assumed on interest	....	
5245 Amortization of debt expense	....	
5250 Miscellaneous taxes	....	
5255 Amortization of plant-acquisition adjustments	....	
5260 Revenue-contract payments	....	
5299 Other deductions from ordinary income	....	
Net ordinary income		$........
6110 Extraordinary current income credits	$........	
6120 Extraordinary current income charges (red)	....	$........
6210 Delayed income credits	$........	
6220 Delayed income charges (red)	....	....
Net income accounted for during current period		$........
Deductions From Net Income		
7010 Income taxes	$........	
7099 Other deductions from net income	....	$........
Balance of net income accounted for during current period transferred to account 8110, "Balance transferred from income accounts"		$........
2699 Unappropriated earned surplus (at beginning of period)		$........
Earned Surplus—Credits		
Add:		
8110 Balance transferred from income accounts	$........	
8199 Miscellaneous credits to earned surplus	....	$........
Total	....	$........
Earned Surplus—Charges		
Deduct:		
8299 Miscellaneous charges to earned surplus		....
Earned surplus available for reservation or appropriation		$........
Deduct:		
8310 Contractual appropriations of earned surplus	$........	
8315 Earned surplus employed in reacquisition of capital stock	....	
8320 Miscellaneous appropriations of earned surplus	....	$........
		$........
Deduct:		
8399 Dividend appropriations of earned surplus		....
2699 Unappropriated earned surplus (at end of period)		$........

[28 FR 13147, Dec. 5, 1963, as amended at 48 FR 45087, Sept. 30, 1983]

PRESCRIBED ACCOUNTS

NOTE: Number to the right of the decimal point is the account number.

INCOME ACCOUNTS

Ordinary Income; Communication

NOTE: See particularly § 35.03-8.

§ 35.3000 Operating revenues.

This account shall include the total operating revenues shown in the operating-revenue accounts, derived by the carrier during the accounting period from the furnishing of communication service and services incidental thereto.

Operating-Revenue Deductions

§ 35.4000 Operating expenses.

This account shall include the total operating expenses, shown in the operating-expense accounts, incurred by the carrier during the accounting period for the maintenance of its wire-telegraph and ocean-cable plant, and for the conducting-operations, general, and administrative expenses incurred in furnishing wire-telegraph and ocean-cable services and services incidental thereto.

§ 35.4910 Depreciation.

(a) This account shall include the amount of depreciation charges applicable to the accounting period for all classes of operated plant owned by the carrier except such depreciation as is chargeable to clearing accounts, to account 1300, "Plant under construction," and to account 5010, "Income from operated plant leased to others." It shall include also the amount of depreciation charges applicable to the accounting period for all classes of operated plant used but not owned by the carrier, as provided in § 35.30-3. (See also §§ 35.04-1 to 35.04-3, inclusive, and § 35.1-5.)

(b) This account shall be subdivided as follows:

4910:01 Depreciation; operated plant owned and used.
4910:02 Depreciation; operated plant leased from others.

(c) The records supporting the entries in this account shall be so maintained as to show separately the amounts applicable to (1) wire-telegraph service and (2) ocean-cable service.

§ 35.4915 Amortization; intangible operated plant.

(a) This account shall be charged with the amounts of amortization charges applicable to the accounting period for intangibles (having a terminable life) the cost of which is includible in accounts 82, "Franchises," 83, "Patent rights," 84, "Leaseholds," 85, "Research and development," and 89, "Other intangibles," except such amortization charges as are includible in account 5010, "Income from operated plant leased to others." It shall include also the amounts of amortization charges applicable to the accounting period for such intangibles used but not owned by the carrier. (See § 35.30-3.)

(b) The charges to this account shall be such that the cost of each intangible will be amortized, as evenly as may be, over the period of its benefit to the carrier.

(c) This account shall be subdivided as follows:

4915:01 Amortization; intangibles owned and used.
4915:02 Amortization; intangibles leased from others.

§ 35.4920 Amortization of plant-acquisition adjustments.

(a) This account shall be charged or credited, as the case may be, with such amounts as the Commission may authorize or direct to be included in operating-revenue deductions under a plan to amortize amounts in account 1510, "Plant-acquisition adjustments."

(b) Amounts recorded in this account shall be credited or charged, as the case may be, to account 1520, "Allowance for amortization; wire-telegraph and ocean-cable plant."

§ 35.4925 Extraordinary plant losses.

(a) This account shall be charged with amounts representing the unprovided-for loss in service value of plant retired for causes not contemplated in prior allowances for depreciation approved for inclusion herein as provided in § 35.04-4.

(b) This account shall include also losses in service value, other than relatively minor amounts, suffered through terminations of service when charges for such terminations are made which are designed to recover the loss in service value. The measure of a charge made hereto shall be the portion of the termination charge assignable to recovery of service value loss. Amounts thus charged to this account shall be credited to account 1515, "Allowance for depreciation; wire-telegraph and ocean-cable plant." (See also § 35.04-5.)

(c) The records supporting the entries in this account shall be so maintained as to show separately the amounts applicable to (1) wire-telegraph plant and (2) ocean-cable plant.

§ 35.4931 Social security taxes; operating.

This account shall be charged (and account 2175, "Tax accruals," credited) with the amounts for which the carrier becomes liable on its own behalf for taxes, imposed under the Social Security Act and similar State and foreign statutes, that are properly chargeable to wire-telegraph and ocean-cable operations for the accounting period.

NOTE A: The amounts of social security taxes not applicable to wire-telegraph and ocean-cable operations shall be equitably apportioned among the operated plant accounts and account 5250, "Miscellaneous taxes."

NOTE B: Amounts payable on behalf of employees for social security taxes shall be included in account 2111, "Liability for tax collections."

§ 35.4932 Other taxes; operating.

(a) This account shall include the amounts of national, State, county, municipal, and other taxes, other than taxes on net income and taxes imposed under the Social Security Act and similar State and foreign statutes, that are properly chargeable to wire-telegraph and ocean-cable operations; including franchise taxes payable annually or more frequently. (See also §§ 35.4931 and 35.7010.)

(b) This account shall be charged and account 2175, "Tax accruals," shall be credited each month with the amount of taxes that are applicable to the month. When it is not possible to determine the exact amount of taxes for the month, the amount shall be estimated and adjustments shall be made as the actual tax levies become known.

(c) When it is necessary to apportion taxes to wire-telegraph and ocean-cable operations, full details as to the methods of, and facts considered in, the apportionment shall be recorded.

(d) Taxes on plant leased from others, the rent for which is includible in account 5205, "Rent for lease of operated plant," shall be charged to this account by the lessee.

(e) The records supporting the entries in this account shall be so maintained as to show the amount of each kind of tax paid to each taxing authority and the basis upon which each charge is made.

NOTE A: Taxes assumed by the carrier on interest shall be charged to account 5240, "Taxes assumed on interest."

NOTE B: [Reserved]

NOTE C: Special assessments for the construction of street and other improvements shall be included in the appropriate plant accounts. Special assessments for the maintenance thereof and special benefit taxes, such as water taxes, shall be included in the appropriate operating-expense accounts.

NOTE D: Discounts allowed for payment of taxes before they are due shall be treated as reduction of taxes assessed.

NOTE E: The accounting for taxes on plant under construction shall be as provided in § 35.1-3(c)(7).

NOTE F: Taxes on plant leased to others, the rental from which is includible in account 5010, "Income from operated plant leased to others", when assumed by the lessor, shall be charged to that account by the lessor. (See particularly § 35.30-3.)

[28 FR 13147, Dec. 5, 1963, as amended at 48 FR 45087, Sept. 30, 1983]

§ 35.4935 Uncollectible revenues.

(a) This account shall be charged with amounts, due from customers and agents for wire-telegraph and ocean-cable services rendered, which are considered to be uncollectible.

(b) This account may include, in lieu of the amounts of charges prescribed in paragraph (a) of this section, monthly charges based upon estimates to make provision for uncollectible revenues due from customers and agents. Such amounts shall be credited to account 1765, "Allowance for uncollectible receivables." There shall be recorded full details as to the methods used and the facts considered in estimating the amounts so credited.

(c) This account shall include, in a separate subdivision thereof, credits arising from charges to accounts 2115 "Customers' deposits," and 2155, "Advance billings," that may lawfully be written off as unrefundable because of failure to locate the rightful owner or for some similar reason.

NOTE: Uncollectible receivables (or provisions therefor), other than from customers and agents, shall be charged to account 5299, "Other deductions from ordinary income," account 6120, "Extraordinary current income charges," or other appropriate account.

§ 35.4945 Telephone and radiotelegraph operating-revenue deductions.

This account shall include the amounts of depreciation, amortization, taxes, uncollectible revenues, rents, and maintenance and other expenses incidental to the carrier's telephone and radiotelegraph operations. (See also § 35.03-8.)

§ 35.4950 Revenue-contract payments.

This account shall include amounts, includible in operating-revenue deductions, that represent payments to common carriers or other persons under the terms of contracts or agreements which provide that such common carriers or other persons shall receive amounts measured by the revenue or traffic of the accounting carrier, although such persons do not participate in the revenue service or transmission of such traffic. (See also § 35.31-3.)

§ 35.4999 Other operating-revenue deductions.

This account shall include losses on the sale of plant or the transfer of plant to nonregulated operations and other operating deductions that are not includible elsewhere. (See § 35.1-6.)

[48 FR 45087, Sept. 30, 1983]

Other Communication Income

§ 35.5010 Income from operated plant leased to others.

(a) This account shall be credited with the amounts of rentals that have accrued from operated plant comprising substantially complete operating systems or operating units where the lessee has exclusive possession of the plant, whether such amounts are received in cash or are disbursed by the lessee for the account of the lessor as interest on long-term debt, guaranteed dividends on stock, or otherwise.

(b) This account shall be charged with the amounts of taxes, depreciation, amortization, and maintenance and other expenses intially accounted for by the lessor on plant the rental for which is includible in this account. (See particularly § 35.30-3.)

(c) The records supporting the entries in this account shall be so maintained as to show separately the following items applicable to the plant included in each leasing agreement:

Credits:
  Rentals.
Charges (see paragraph (b) of this section):
  Items initially accounted for by the lessor:
    Taxes.
    Depreciation.
    Amortization.
    Maintenance.
    Other expenses.
  Uncollectible rentals.

NOTE: Rentals from facilities not constituting substantially complete operating systems or operating units shall be included in the appropriate operating-revenue account.

§ 35.5015 Income from telephone and radiotelegraph plant leased to others.

This account shall be credited with the amounts of rentals that have accrued from telephone and radiotelegraph plant comprising substantially complete operating systems or operating units where the lessee has exclusive possession thereof. (See particularly § 35.03-8(b).)

§ 35.5020 Profit from general services, licenses, and royalties.

This account shall include the amounts of profits realized from services rendered others under license agreements, general service contracts, or other arrangements providing for the furnishing of general accounting, engineering, financial, legal, patent, or other general services. (See also § 35.41-6.)

NOTE: Minor amounts of profits from such arrangements may be included in account 4317, "General services, licenses, and royalties—Cr."

§ 35.5089 Income from foreign operations.

(a) This account may include the net amount of income of the carrier when the detailed amounts are required to be stated in terms of foreign currency or in a manner at variance with the requirements of this system of accounts.

(b) A separate subaccount with appropriate title shall be maintained for the amount of such income from each foreign country.

(c) The records supporting the entries in this account shall be so maintained that, in the reports to the Commission, a complete analysis of the transactions in each foreign country may be shown.

(d) Each carrier that elects to use this account shall advise the Commission of that fact at least 60 days before the effective date of this system of accounts. Changes from this elective procedure to the alternative procedure prescribed for domestic income, or vice versa, shall not be made thereafter without submitting to the Commission for its consideration and approval notice of the proposed change at least 90 days before the proposed effective date of such change.

§ 35.5099 Other communication income.

This account shall include the amounts of communication income not provided for elsewhere.

Ordinary Income; Noncommunication

§ 35.5110 Income from miscellaneous physical property.

(a) [Reserved]

(b) The expenses shall include every element of cost (except taxes) incurred in such operations, including depreciation, amortization, insurance, assessments against such property for maintenance of public improvements, an equitable portion of administration expenses, uncollectible rentals, and any other costs incident to the operation of miscellaneous physical property.

NOTE: Taxes applicable to miscellaneous physical property and its operation shall be charged to account 5250, "Miscellaneous taxes."

[28 FR 13147, Dec. 5, 1963, as amended at 48 FR 45087, Sept. 30, 1983]

§ 35.5111 Income from nonregulated investments.

(a) This account shall include the earnings or losses from nonregulated activities, both ordinary and extraordinary.

(b) All revenues earned and expenses (including taxes) incurred in nonregulated operations shall be recorded on separate books of account for such operations. Only the net of the total revenues and total expenses shall be recorded in this account, with an appropriate offsetting entry in account 1625, "Nonregulated investments."

[48 FR 45087, Sept. 30, 1983]

§ 35.5120 Dividend income.

This account shall include the amounts of income from dividends declared on stocks owned other than dividends on stocks includible in accounts 1630 to 1659 inclusive. (See particularly § 35.5135.)

NOTE: No amounts shall be entered in these accounts representing the value assigned to stock dividends received by the carrier on stocks of other persons. The proceeds realized from the subsequent sale or disposal of the stock received as a dividend, or of the stock with respect to which the dividend was paid, shall be appropriately accounted for, proper credit being given to the investment account for the portion of the book cost assignable to the shares sold or disposed of. Any profit or loss resulting from the transaction shall be credited to account 6110, "Extraordinary current income credits," or charged to account 6120, "Extraordinary current income charges," as appropriate.

§ 35.5125 Interest income.

(a) This account shall include the amounts of interest income on investments in securities owned (other than securities includible in accounts 1630 to 1659, inclusive), including interest income on investment advances and on other loans, notes, special deposits, and other interest-bearing assets. (See also § 35.5135.)

(b) This account shall be subdivided as follows:

5125:01 Interest income on securities.
5125:02 Interest income on investment advances.
5125:99 Other interest income.

NOTE A: Interest on nominally issued and nominally outstanding long-term debt shall not be included in these accounts.

NOTE B: Interest that has accrued shall not be credited to this account unless its payment is reasonably assured.

§ 35.5135 Income from debt-redemption and other funds.

(a) This account shall include the amounts of income (whether interest or dividends) accrued on cash, securities issued by other persons, or other assets held in accounts 1630 to 1659, inclusive, and also the amounts of income from securities issued or assumed by the carrier when regarded and treated as actually outstanding under the provisions of § 35.10-7(h). (See also § 35.30-2.)

(b) Unless otherwise required by contractual or other agreement, the expenses, losses, and fees incurred in connection with the operation of each fund shall be charged to this account.

(c) The records supporting the entries in this account shall be so maintained as to show separately the amounts of charges and the amounts of credits applicable to each fund.

§ 35.5140 Gain or loss on foreign currency exchange.

This account shall be credited or charged, as appropriate, and to the extent outlined in § 35.03-16, with the amounts of gains or losses resulting from transactions involving foreign currency.

§ 35.5199 Other noncommunication income.

This account shall include the amounts of noncommunication income not provided for elsewhere.

Deductions From Ordinary Income

§ 35.5205 Rent for lease of operated plant.

(a) This account shall be charged with the amounts of rents that have accrued for the exclusive possession by the carrier of operated plant comprising substantially complete operating systems or operating units whether paid to the lessor in cash or disbursed by the lessee for the account of the lessor as interest on long-term debt, guaranteed dividends on stock, or otherwise.

(b) When the lease requires or available data permit such action, this account shall be credited with the amounts of taxes, depreciation, amortization, and maintenace and other expenses initially accounted for by the lessor on plant the rent for which is includible in this account. (See particularly § 35.30-3.)

(c) This account shall be subdivided as follows:

5205:01 Rent for identifiable plant.
5205:02 Rent for unidentifiable plant.

(d) The records supporting the entries in this account shall be so maintained as to show separately the following items applicable to the plant included in each leasing agreement:

Charges:
  Rents.
Credits (see paragraph (b) of this section):
  Items initially accounted for by the lessor:
    Taxes.
    Depreciation.
    Amortization.
    Maintenance.
    Other expenses.

NOTE: Rent for lease of facilities not constituting substantially complete operating systems or operating units shall be included in the appropriate operating-expense account.

§ 35.5210 Interest on long-term debt.

(a) This account shall include the amounts of interest accrued on outstanding long-term debt issued or assumed by the carrier, the liability for which is included in accounts 2010, "Bonds actually issued," 2025, "Receivers' and trustees' securities," and 2099, "Other long-term debt," including such securities as are regarded and treated as actually outstanding under the provisions of § 35.10-7(h).

(b) The records supporting the entries in this account shall be so maintained as to show the interest accruals on each issue or series of long-term debt.

NOTE: Interest on nominally issued and nominally outstanding long-term debt shall not be included in these accounts.

§ 35.5215 Interest on indebtedness to affiliates.

(a) This account shall include the amounts of interest accrued on indebtedness to affiliates the liability for which is included in accounts such as account 2030, "Advances from affiliates," and account 2129, "Other payables to affiliates."

(b) The records supporting the entries in this account shall be so maintained as to show to whom the interest is payable, the nature and amount of the principal obligation, and the rate of interest, under the following subdivisions:

5215:01 Interest on advances.
5215:02 Interest on other payables.

§ 35.5220 Amortization of debt discount.

This account shall include amounts representing the portion of unamortized discount on outstanding long-term debt that is applicable to the accounting period, determined in accordance with the provisions of § 35.10-14(d).

§ 35.5225 Interest charged to construction—Cr.

This account shall be credited with the amounts charged to account 1300, "Plant under construction," as provided in § 35.1-3(c)(8).

§ 35.5230 Amortization of debt premium—Cr.

This account shall include amounts representing the portion of unamortized premium on outstanding long-term debt that is applicable to the accounting period, determined in accordance with the provisions of § 35.10-14(d).

§ 35.5233 Interest on past-due tax assessments.

This account shall include the amounts of interest charges applicable to the accounting period on tax assessments that are due and unpaid.

§ 35.5235 Other interest charges.

(a) This account shall include the amounts of interest charges not provided for elsewhere. Among the items of indebtedness the interest on which is chargeable to this account are (1) past-due assessments for public improvements, (2) claims and judgments, (3) customers' deposits, (4) notes payable on demand or maturing less than 1 year from date of issuance, except notes payable to affiliates, and (5) open accounts, except with affiliates.

(b) The records supporting the entries in this account shall be so maintained as to show the nature and amount of each principal obligation, the rate and amount of interest applicable thereto, and the name of the person to whom payable.

§ 35.5240 Taxes assumed on interest.

This account shall include the amounts paid to holders of bonds (or other evidences of indebtedness of the carrier), and the amounts paid to governmental agencies in their behalf, with respect to income and other taxes levied against the income from such debt or levied as a tax on ownership of the debt, when such taxes are assumed by the carrier.

§ 35.5245 Amortization of debt expense.

This account shall include the amounts representing the portion of unamortized debt expense on outstanding long-term debt that is applicable to the accounting period, determined in accordance with the provisions of § 35.10-14(d).

§ 35.5250 Miscellaneous taxes.

(a) This account shall include the amounts for taxes not provided for elsewhere.

(b) Amounts charged to this account prior to payment shall be credited to account 2175, "Tax accruals."

[28 FR 13147, Dec. 5, 1963, as amended at 48 FR 45087, Sept. 30, 1983]

§ 35.5255 Amortization of plant-acquisition adjustments.

(a) This account shall be charged or credited, as the case may be, with such amounts as the Commission may authorize or direct to be included in deductions from ordinary income under a plan to amortize amounts in account 1510, "Plant-acquisition adjustments."

(b) Amounts recorded in this account shall be credited or charged, as the case may be, to account 1520, "Allowance for amortization; wire-telegraph and ocean-cable plant."

§ 35.5260 Revenue-contract payments.

This account shall include amounts includible in deductions from ordinary income that represent payments to common carriers or other persons under the terms of contracts or agreements which provide that such common carriers or other persons shall receive amounts measured by the revenue or traffic of the accounting carrier, although such persons do not participate in the revenue services or transmission of such traffic. (See also § 35.31-3.)

§ 35.5299 Other deductions from ordinary income.

This account shall include deductions from ordinary income not provided for elsewhere. Among the items that shall be charged to this account are contributions for charitable, social, or community-welfare purposes and membership fees and dues in associations other than those of the carrier itself in associations of communication carriers and those of employees in professional organizations, the amounts of depreciation and amortization on wire-telegraph and ocean-cable plant other than operated plant, and the amounts of uncollectible receivables, or provisions therefor, which are not includible in account 4935, "Uncollectible revenues," or account 6120, "Extraordinary current income charges." (See also § 35.03-7.)

Extraordinary Income

§ 35.6110 Extraordinary current income credits.

This account shall include the amounts of income applicable to the current period from activities other than those usual and ordinary activities of the carrier recognized under the provisions of § 35.3000 and §§ 35.5010 to 35.5199, inclusive.

ITEMS

(See § 35.03-12)

Current liabilities written off in accordance with the provisions of § 35.10-5(c).
Forfeitures of amounts deposited with the carrier under options for the sale or lease of property.
Profits derived from the reacquisition and resale of securities other than capital stock.
Profits derived from the sale of securities of other persons.

[28 FR 13147, Dec. 5, 1963, as amended at 48 FR 45087, Sept. 30, 1983]

§ 35.6120 Extraordinary current income charges.

This account shall include the amounts properly chargeable against income during the current period, occasioned otherwise than by those usual and ordinary activities of the carrier recognized under the provisions of §§ 35.4000 to 35.5099, inclusive, and §§ 35.5200 to 35.5299, inclusive.

ITEMS

(See § 35.03-12)

Amounts charged to income to provide for the extinguishment of amounts includible in account 81, "Organization."
Amounts charged to income in recognition of the decline in value of current assets and securities owned. (See also §§ 35.10-2 and 35.10-7.)
Capital-stock expense written off. (See also § 35.10-13(b).)
Forfeitures of amounts deposited by the carrier under options for the purchase or lease of property.
Inventory, appraisal, and other costs incident to the contemplated acquisition, sale, or lease of property when the projects are abandoned.
Long-term debt expense written off. (See also § 35.10-14 (d), (e), and (f).)
Losses of funds due to bank failures.
Losses resulting from the reacquisition and resale of securities other than capital stock.
Losses resulting from the sale of securities of other persons.
Penalties and fines paid on account of violations of statutes pertaining to regulation.
Uncollectible receivables written off.

[28 FR 13147, Dec. 5, 1963, as amended at 48 FR 45087, Sept. 30, 1983]

§ 35.6210 Delayed income credits.

This account shall include the amounts of extraordinary and nonrecurring delayed items, as provided in § 35.03-13.

§ 35.6220 Delayed income charges.

This account shall include the amounts of extraordinary and nonrecurring delayed items, as provided in § 35.03-13.

Deductions From Net Income

§ 35.7009 Investment credits; net.

(a) This account shall be charged and account 2399, "Other deferred credits," shall be credited with investment credits realized under the Internal Revenue Code when the carrier has elected to follow a plan of accounting which calls for realized investment credits to be taken into income in proportionate parts determined with reference to the average useful life of the property with respect to which the credits were allowed.

(b) This account shall be credited and account 2399 shall be charged with the amortization of each year's investment credits included in account 2399. Such amortization shall be determined with reference to the average useful life of the property with respect to which the investment credits were allowed.

(c) In lieu of crediting acount 2399 under paragraph (a) of this section, account 5099, "Other communication income," may be credited.

[29 FR 6013, May 7, 1964]

§ 35.7010 Income taxes.

(a) This account shall include the amounts of foreign, Federal, State, and local government taxes on the income of the carrier, including additional assessments of such taxes.

(b) The record supporting the entries in this account shall be so maintained as to show the amounts included herein with respect to each taxing authority.

§ 35.7099 Other deductions from net income.

This account shall include the amounts of deductions from net income not provided for elsewhere.

EARNED-SURPLUS ACCOUNTS

Earned Surplus; Credits

§ 35.8110 Balance transferred from income accounts.

This account shall include the net balance transferred from the income accounts for the current year. (See particularly § 35.30-4.)

§ 35.8199 Miscellaneous credits to earned surplus.

(a) This account shall include the amounts of credits affecting earned surplus not provided for elsewhere.

(b) The records supporting the entries in this account shall be so maintained that an analysis thereof may be shown in the reports to the Commission.

Earned Surplus; Charges

§ 35.8299 Miscellaneous charges to earned surplus.

(a) This account shall include the amounts of charges affecting earned surplus not provided for elsewhere. Among the items that shall be charged hereto are discount on capital stock written off and such charges resulting from the reacquisition and resale of the carrier's capital stock as are provided in § 35.10-9.

(b) The records supporting the entries in this account shall be so maintained that an analysis thereof may be shown in the reports of the Commission.

§ 35.8310 Contractual appropriations of earned surplus.

(a) This account shall include the amount of earned surplus reserved in accordance with the terms of mortgages, deeds of trust, orders of courts, contracts, or other agreements.

(b) Amounts charged to this account shall be credited to account 2610, "Contractual reserves."

(c) Amounts in account 2610 that are restored to surplus shall be credited to this account.

§ 35.8315 Earned surplus employed in reacquisition of capital stock.

(a) This account shall be charged and account 2615, "Reserve against impairment of stated capital," shall be credited with the book amount of capital stock reacquired by the carrier and not retired.

(b) Upon resale or retirement of capital stock, this account shall be credited and account 2615, "Reserve against impairment of stated capital," shall be charged with the amounts included herein applicable to such stock.

§ 35.8320 Miscellaneous appropriations of earned surplus.

(a) This account shall include the amount of reservations of earned surplus not provided for elsewhere.

(b) Amounts charged to this account shall be credited to account 2620, "Miscellaneous reserves."

(c) Amounts in account 2620 that are restored to surplus shall be credited to this account.

§ 35.8399 Dividend appropriations of earned surplus.

(a) This account shall include the amount of earned surplus appropriated for dividends declared on the actually outstanding capital stock of the carrier.

(b) The records supporting the entries in this account shall be so maintained as to show the amount of dividends declared on each class of capital stock. If dividends are not payable in cash, the medium of payment shall be described with sufficient particularity to identify it.

OPERATING-REVENUE ACCOUNTS

INSTRUCTIONS

§ 35.31-1 Purpose of operating-revenue accounts.

The operating-revenue accounts are designed to show the carrier's portion of amounts received or receivable for the furnishing of communication service and services incidental thereto. (See also §§ 35.03-8 and 35.03-17.)

§ 35.31-2 Basis of credits to the operating-revenue accounts.

(a) Credits to the operating-revenue accounts shall be based upon the actual amount chargeable for services rendered by the carrier.

NOTE A: Corrections of overcharges and of overcollections and payments of collections on behalf of others previously credited to the operating-revenue accounts shall be charged to the account or accounts previously credited.

NOTE B: Authorized refunds and adjustments on account of failures in service shall be charged to account 4281, "Traffic-damage awards."

(b) The appropriate operating-revenue accounts shall be credited with:

(1) Amounts charged for installations for termination and restoration of service, for inside and outside moves, for instrument changes, and for similar service requirements.

(2) Amounts of initial nonrecurring charges for special or auxiliary equipment furnished in rendering service to a customer, except that charges for the cost of such equipment the ownership of which rests with or will revert to the customer shall be credited to the accounts charged with the cost of such equipment.

(3) Amounts of initial nonrecurring charges for installation of special or auxiliary equipment furnished by a customer.

(4) Amounts of service charges for supplemental or auxiliary equipment furnished in rendering service to a customer.

(5) Amounts collected from users as costs of delivery beyond the free-delivery zones adjacent to terminals of the carrier. (See also note C to § 35.31-3.)

(c) Credits to the operating-revenue accounts shall be made when the amounts are received or when they become receivable, whichever date is the earlier: *Provided, however,* That amounts exceeding $100 charged to a customer for each separate installation and like amounts classifiable under paragraph (b)(2) of this section shall be credited initially to account 2399, "Other deferred credits," and distributed to the appropriate operating-revenue accounts in equal monthly amounts over the estimated life in place of the related plant.

§ 35.31-3 Divisions of operating revenues.

(a) Amounts representing the carrier's portion of revenues receivable from other communication carriers for participation in the revenue service shall be credited to the appropriate operating-revenue accounts and charged to the account maintained for traffic settlements with the respective carriers, as provided in § 35.03-19.

(b) Amounts payable for participation by others in the revenue service shall be excluded from (or, if previously credited thereto, charged to the appropriate) operating-revenue accounts and credited to the account maintained for traffic settlements with the respective carriers, as provided in § 35.03-19.

NOTE A: The term "participation in the revenue service," as used in this section, does not include terminal services rendered by a carrier acting as agent for another carrier, e.g., it does not include (1) the receipt or delivery of messages wherein a carrier does not participate, with respect to this particular traffic, in other than such terminal services, or, sometimes further in connection therewith, (2) the use of a carrier's employees and facilities in originating and terminating messages at rates or under classifications that are not available to the general public.

NOTE B: Amounts (other than those representing commissions or participation in the revenue service) payable to common carriers or other persons under the terms of contracts or agreements which provide that such common carriers or other persons shall receive amounts measured by revenues or traffic of the accounting carrier, shall be included in account 4950, "Revenue-contract payments," or account 5260, "Revenue-contract payments," as appropriate.

NOTE C: Amounts payable for services performed for the carrier, such as tolls or rental charges, including those collected from users as costs of delivery beyond the free-delivery zones adjacent to the terminals of the carrier, shall be charged to the appropriate operating-expense accounts.

§ 35.31-4 Services furnished without direct charge.

(a) Amounts representing wire-telegraph and ocean-cable services furnished to a national government, a State, or a political subdivision thereof without direct compensation, in accordance with franchise requirements, shall be charged and credited to the appropriate subdivisions of account 4341, "Franchise requirements."

(b) Records shall be maintained to show amounts representing any other wire-telegraph and ocean-cable services which are carried on especially for the needs of a specific service of general interest and are not open to public correspondence and for which no direct compensation is received.

§ 35.31-5 Subdivisions of operating revenue accounts.

Carriers furnishing both wire-telegraph and ocean-cable service shall maintain separate accounts for the operating revenues applicable to each such service.

§ 35.31-99 Contemplated form of operating-revenue statement.

(See § 35.03-9.)

Account No. (a)	Particulars (b)	Amount of revenue for the year (c)
	WIRE-TELEGRAPH OPERATING REVENUE	
	Wire-telegraph transmission revenues	
3110	Public message revenue	
3115	U.S. government message revenue	
3125	Press message revenue	
3130	Money-order message revenue	
3135	News (CND) service revenue	
3140	Contract (CAK) message revenue	
3145	Facsimile or photogram service revenue	
3155	Telephone service revenue	
3160	Wire-telegraph revenue on cable and radio messages	
3199	Other wire-telegraph transmission revenues	
	Total wire-telegraph transmission revenues	
	Terminal commission revenues	
3350	Terminal commissions	
	Wire-telegraph nontransmission revenues	
3410	Leased-circuit revenue	
3415	Measured-service revenue	
3420	Other leased-plant revenue	
3425	Code-registration revenue	
3430	Errand-service revenue	
3435	Money-order charges	
3440	Time-service revenue	
3499	Other wire-telegraph nontransmission revenues	
	Total wire-telegraph nontransmission revenues	
	Total wire-telegraph operating revenue	
	OCEAN-CABLE OPERATING REVENUE	
	Transoceanic message revenue	
3210	Public message revenue	
3216	Government message revenue	
3225	Press message revenue	
3230	Other commuted-rate revenue	
3299	Other message revenue	
	Total	
	Other transmission revenue	
3705	Scheduled transmission service revenue	
3725	Broadcast-program service revenue	
3735	News (CND) service revenue	
3745	Facsimile or photogram service revenue	
3755	Telephone service revenue	
3799	Miscellaneous transmission service revenue	
	Total	
	Total transmission revenue	
	Nontransmission revenue	
3810	Leased-circuit revenue	
3820	Other leased-plant revenue	
3835	Money-order fees	
3899	Miscellaneous nontransmission revenue	
	Total	
	Total ocean-cable operating revenue	
	Other telecommunication revenue	
3910	Telephone revenue; telephone systems	
3925	Radiotelegraph revenue; radiotelegraph systems	
	Total	
	Total operating revenue	

PRESCRIBED ACCOUNTS

NOTE: Number to the right of the decimal point is the account number.

Wire-Telegraph Transmission Revenues

§ 35.3110 Public message revenue.

(a) This account shall include the carrier's portion of revenue from the wire-telegraph transmission of messages for the general public.

(b) A memorandum record supporting the entries in this account shall be prepared by class A carriers on a calendar-month basis from statistical records of revenue which will show the allocation of amounts in this account among the following classifications of revenue:

(1) *General message revenue.* This classification shall include the carrier's portion of revenue from the wire-telegraph transmission, at the effective rates available to the general public, of the following and similar classes of public messages:

Full rate messages,
Day letters, and
Night letters,

including multiple-address or book messages, and similar services related to the above classes.

(2) *Serial message revenue.* This classification shall include the carrier's portion of revenue from the wire-telegraph transmission of public messages, at the effective rates available to the general public, applicable when more than one message or section of a message is sent to the same addressee at the same destination within a specified period of relatively short duration.

(3) *Timed-wire service revenue.* This classification shall include the carrier's portion of revenue from the wire-telegraph transmission of public messages when the basis of the effective rates is the time employed, required, or allowed for such transmission, whether such time is computed on basis of the number of words transmitted converted into equivalent minutes, or on basis of the actual time required for transmission

(4) *Greetings and other flat-rate message revenue.* (i) This classification shall include the carrier's portion of revenue from the wire-telegraph transmission, at the effective flat or fixed rates (applicable regardless of distance), of classes of fixed-text public messages and messages of sender's composition, such as holiday-greeting messages, including multiple-address or book messages and similar services related to these classes.

(ii) Allocations to this classification shall reflect due consideration of the effect of the abnormal traffic existing upon special occasions, such as holidays.

§ 35.3115 United States Government message revenue.

(a) This account shall include the carrier's portion of revenue from the wire-telegraph transmission, at the effective rates available to the United States Government or any department or agency thereof, of classes of official messages such as the following:

Government full rate messages.
Government day letters.
Government night letters.
Government serial messages.
Government timed-wire service messages.

(b) This account shall also include under a separate subdivision the carrier's portion of revenue from the wire-telegraph transmission of Government weather-bureau messages.

§ 35.3125 Press message revenue.

This account shall include the carrier's portion of revenue from the wire-telegraph transmission of classes of messages restricted as to text, at the effective rates for press services that are less than rates for comparable services to the general public.

§ 35.3130 Money-order message revenue.

This account shall include the carrier's portion of revenue from the wire-telegraph transmission, at the effective rates available to the general public, of messages incidental to, and of messages accompanying, telegraphic money-orders.

§ 35.3135 News (CND) service revenue.

This account shall include the carrier's portion of revenue from the wire-telegraph transmission of the following and similar classes of messages and reports disseminated by the carrier to its subscribers:

Baseball, football, or other sporting-event reports.
Market quotations.
News ticker.
Sports ticker.
Stock ticker.

§ 35.3140 Contract (CAK) message revenue.

This account shall include the carrier's portion of revenue from the wire-telegraph transmission of messages of transportation carriers and others at rates established for collection under contractual agreements that provide for certain free or concession services.

§ 35.3145 Facsimile or photogram service revenue.

This account shall include the carrier's portion of revenue from the wire-telegraph transmission of any matter (other than matter being transmitted at the effective rates applicable to messages) involving the use of a facsimile or other reproducing equipment.

§ 35.3155 Telephone service revenue.

This account shall include the carrier's portion of revenue from telephone operations which involve plant primarily used in wire-telegraph service. (See also §§ 35.03-8 and 35.3910.)

§ 35.3160 Wire-telegraph revenue on cable and radio messages.

(a) This account shall include the carrier's portion of revenue from the wire-telegraph transmission on insular, mobile, and foreign communication.

(b) The carrier's records shall be so maintained that in reports to the Commission there may be shown, at least on basis of statistical determinations, the revenue derived from each of the following classes of service:

Foreign messages.
Insular messages.
Marine messages.
Mobile (other than marine) messages.

§ 35.3199 Other wire-telegraph transmission revenues.

(a) This account shall include the carrier's portion of revenue from wire-telegraph transmission services not provided for elsewhere.

(b) The carrier's records shall be so maintained that in reports to the Commission there may be shown separately the carrier's portion of the revenue from broadcast-program transmission that is includible in this account. (See particularly the note to § 35.3410.)

Transoceanic Message Revenue

§ 35.3200 Transoceanic message revenue.

(a) This account, when maintained under the option provided in § 35.03-5(a) shall include the carrier's portion of revenue from the transmission of messages (other than marine messages) between points outside the area comprising the continental United States, Alaska, Canada, Saint Pierre-Miquelon, and Mexico, and between such points and points designated as gateway points in the continental United States. (See § 35.3160.)

(b) This account shall be cleared on a monthly basis prior to entries herein for any succeeding month.

§ 35.3210 Public message revenue.

This account shall include the carrier's portion of revenue from the transmission between gateway points and points outside the continental United States, Alaska, Canada, Saint Pierre-Miquelon, and Mexico, of messages (other than marine messages) at effective rates available to the general public.

§ 35.3216 Government message revenue.

This account shall include the carrier's portion of revenue from the transmission between gateway points and points outside the continental United States, Alaska, Canada, Saint Pierre-Miquelon, and Mexico, of government messages (other than marine messages).

§ 35.3225 Press message revenue.

This account shall include the carrier's portion of revenue from the transmission between gateway points and points outside the continental United States, Alaska, Canada, Saint Pierre-Miquelon, and Mexico, of messages (other than marine messages) at effective rates available to organizations engaged in publication of the substance of such messages. (See particularly § 35.3705; see also § 35.3735.)

§ 35.3230 Other commuted-rate revenue.

This account shall include the carrier's portion of revenue from the transmission between gateway points and points outside the continental United States, Alaska, Canada, Saint Pierre-Miquelon, and Mexico, of messages (other than marine messages) at effective rates available to persons or organizations other than those provided for in §§ 35.3210 to 35.3225.

§ 35.3299 Other message revenue.

This account shall include the carrier's portion of revenue from the transmission of messages (other than marine messages) between points outside the continental United States, Alaska, Canada, Saint Pierre-Miquelon, and Mexico (i.e., messages that do not originate or terminate at, or transit through, points within such area).

Terminal Commission Revenues

§ 35.3350 Terminal commissions.

This account shall include the amounts of commissions receivable by the carrier for services rendered to other carriers in originating or terminating messages or for similar communication services. (See particularly §§ 35.03-20, 35.31-3, and 35.4275.)

Wire-Telegraph Nontransmission Revenues

§ 35.3410 Leased-circuit revenue.

(a) This account shall include the carrier's portion of revenue from the use by others of wires, cables, channels, circuits, and similar wire-telegraph facilities not part of substantially complete operating systems or operating units leased to others, when the charge therefor is based on contractual rent agreements providing for definite periodic terms without regard to the extent of the service obtained by the users of such facilities. (See also §§ 35.30-3, 35.3415, and 35.3420.)

(b) The carrier's records shall be so maintained that in reports to the Commission there may be shown separately the carrier's portion of the revenue derived from the leasing of circuits for the purpose of transmission of broadcast programs by the lessee.

NOTE: The carrier's portion of revenue derived in instances in which its employees participate in (1) energizing or monitoring circuits, (2) maintaining fidelity of sound output, or (3) otherwise contributing technically to the transmission of broadcast programs (excepting the ordinary maintenance, testing, and regulating performed for all leased-wire customers) shall not be included in this account but in account 3199, "Other wire-telegraph transmission revenues."

§ 35.3415 Measured-service revenue.

This account shall include the carrier's portion of revenue from the use, at rates available to the general public as facilities are available, of wire-telegraph facilities furnished by the carrier to provide for direct communication by customers when the charge therefor is on the basis of the measured number of impulses or words transmitted, such as telemeter service.

§ 35.3420 Other leased-plant revenue.

This account shall include the carrier's portion of revenue from the use by others of wire-telegraph plant not provided for elsewhere. (See also §§ 35.30-3, 35.3410, and 35.3415.)

§ 35.3425 Code-registration revenue.

This account shall include the carrier's portion of revenue from the registration of code names, titles, symbols, and addresses, and other similar code-registration services incidental to wire-telegraph operations.

§ 35.3430 Errand-service revenue.

This account shall include the carrier's portion of revenue from the utilization of messengers in wire-telegraph services not connected with the transmission of messages.

§ 35.3435 Money-order charges.

This account shall include the carrier's portion of revenue from charges for wire-telegraph money-order service as distinguished from revenue messages incidental to such service. (See also §§ 35.3130, 35.3230, and 35.3835.)

§ 35.3440 Time-service revenue.

This account shall include the carrier's portion of revenue from services in connection with self-winding clocks and other synchronizing devices when such services are incidental to wire-telegraph operations.

§ 35.3499 Other wire-telegraph nontransmission revenues.

This account shall include the carrier's portion of revenue from nontransmission services incidental to wire-telegraph operations not provided for elsewhere.

Other Ocean-Cable Transmission Revenue

§ 35.3700 Other transmission revenue.

(a) This account, when maintained under the option provided in § 35.03-5(a), shall include the carrier's portion of revenue from transmission services other than filed messages.

(b) This account shall be cleared on a monthly basis prior to entries for any succeeding month.

§ 35.3705 Scheduled transmission service revenue.

This account shall include the carrier's portion of revenue from furnishing transmission facilities during specified periods, either with or without operators, to provide for direct communication by customers, for purposes other than broadcast-program or telephone transmission. This includes measured-service revenue (such as telemeter service, contract timed service, radioprinter service, etc.). (See also §§ 35.3725, 35.3755, and 35.3810.)

§ 35.3725 Broadcast-program service revenue.

This account shall include the carrier's portion of revenue from the furnishing of services or facilities utilized in (a) broadcast-program transmission and (b) activities incidentally associated therewith.

§ 35.3735 News (CND) service revenue.

This account shall include the carrier's portion of revenue from furnishing customers with reports of activities such as stock market transactions, sports events, etc., when such reports are prepared and disseminated by the carrier. This includes periodic charges for the facilities used in such dissemination such as tickers, projectors, etc.

§ 35.3745 Facsimile or photogram service revenue.

This account shall include the carrier's portion of revenue from the transmission of any matter involving the use of facsimile or other reproducing equipment.

§ 35.3755 Telephone service revenue.

This account shall include the carrier's portion of revenue from telephone operations when such operations involve the use of plant primarily devoted to telegraph service. (See also § 35.03-8 and account 3910, "Telephone revenue; telephone systems.")

§ 35.3799 Miscellaneous transmission service revenue.

This account shall include the carrier's portion of revenue from transmission services not provided for elsewhere.

Ocean-Cable Nontransmission Revenue

§ 35.3800 Nontransmission revenue.

(a) This account, when maintained under the option provided in § 35.03-5(a), shall include the carrier's portion of revenue from communication operations other than transmission.

(b) This account shall be cleared on a monthly basis prior to entries for any succeeding month.

§ 35.3810 Leased-circuit revenue.

This account shall include the carrier's portion of revenue from the use by others of circuits, channels, wires, cables, and similar facilities for direct communication by customers, when the charge therefor is based on contractual rent agreements providing for definite periodic terms without regard to the extent of service obtained by the users of such facilities. (See also § 35.3705.)

NOTE A: Income from plant includible in account 1100, "operated plant leased to others" (as distinguished from revenue includible in this account), shall be included account 5010, "Income from operated plant leased to others."

NOTE B: When the charges for facilities furnished for direct communication by customers is based on the extent of services obtained by the users, such as telemeter service, the revenue shall be included in account 3705, "Scheduled transmission service revenue."

§ 35.3820 Other leased-plant revenue.

This account shall include the carrier's portion of revenue from the use by others of leased operated plant not provided for elsewhere. (See also § 35.30-3.)

§ 35.3835 Money-order fees.

This account shall include the carrier's portion of revenue from charges for money-order service as distinguished from revenue messages incidental to such service.

NOTE: Revenue from money-order messages, as distinguished from the fees includible in this account, shall be included in the appropriate message-revenue account. (See §§ 35.3210 to 35.3299.)

§ 35.3899 Miscellaneous nontransmission revenue.

This account shall include profits from the sale of plant or plant transferred to carrier's nonregulated operations and the carrier's portion of revenue from nontransmission services not provided for elsewhere, such as revenue from frequency measuring, code registration, and time service. (See § 34.1-6.)

[48 FR 45087, Sept. 30, 1983]

Other Telecommunication Revenues

§ 35.3910 Telephone revenue; telephone systems.

(a) This account shall include the carrier's revenue from the operation of telephone systems as provided in § 35.03-8.

(b) The records supporting the entries in this account shall be so maintained as to indicate the amount applicable to each primary operating-revenue account provided in the uniform system of accounts prescribed by the Commission for telephone companies having average annual operating revenues equivalent to the estimated annual telephone revenues of the carrier. (See also §§ 35.3155 and 35.3755.)

§ 35.3925 Radiotelegraph revenue; radiotelegraph systems.

(a) This account shall include the carrier's portion of revenue from the operation of radiotelegraph systems as provided in § 35.03-8.

(b) The records supporting the entries in this account shall be so maintained as to indicate the amount applicable to each primary operating-revenue account provided in the uniform system of accounts prescribed by the Commission for class A and class B radiotelegraph carriers (unless radiotelegraph revenues have been included properly in account 5089, "Income from foreign operations").

OPERATING-EXPENSE ACCOUNTS

INSTRUCTIONS

§ 35.41-1 Purpose of operating-expense accounts.

The operating-expense accounts (accounts 4100 to 4499, inclusive) and the other operating-revenue deduction accounts (accounts 4900 to 4999, inclusive, except account 4945) are designed to show the cost of furnishing wire-telegraph and ocean-cable services. Of these accounts, the operating-expense accounts are designed to indicate in detail the carrier's portion of the amounts of the maintenance, conducting-operations, general, and administrative expenses. (See also §§ 35.03-8, 35.03-13, 35.03-14, 35.03-15, and 35.03-17.)

§ 35.41-2 Basis of charges to the operating-expense accounts.

Charges to the operating-expense accounts shall be based upon the actual expenses incurred by or on behalf of the carrier. (See particularly § 35.03-18.)

NOTE: When, for convenience in accounting, the operating-expense accounts are charged in the first instance with amounts representing items that are not properly chargeable to the accounting carrier's wire-telegraph and ocean-cable operations, such as those applicable to joint operations as referred to in § 35.03-18 or those directly applicable to telephone or radiotelegraph operations as referred to in § 35.03-8, the appropriate clearing credits shall be made in the primary accounts to which such items were originally charged. This procedure should not be followed in connection with transactions includible in account 4275, "Terminal commissions; expense credit," or account 4317, "General services, licenses, and royalties—Cr." (See also § 35.03-14.)

§ 35.41-3 Operating expenses applicable to leased plant.

Operating expenses applicable to leased plant shall be charged by the lessee to the appropriate operating-expense accounts as provided in § 35.30-3 (c) and (d). (See also § 35.03-21.)

§ 35.41-4 Subdivisions of operating-expense accounts.

(a) Carriers furnishing both wire-telegraph and ocean-cable services shall maintain separate accounts for the operating expenses applicable to each such service.

(b) Appropriate subdivisions shall be maintained for operating expenses that are directly applicable to telephone or radiotelegraph operations as provided in § 35.03-8(c).

(c) Each operating-expense account (except the accounts for maintenance expenses) that includes more than one of the following elements (e.g., accounts 4291 and 4295) shall be subdivided as follows:

:1 Compensation of officers and employees. (See particularly § 35.41-5.)
:2 Overheads (not includible elsewhere).
:3 Material and supplies (including supply expense).
:9 Other charges.

NOTE: Subdivisions of the accounts for maintenance expenses are prescribed in § 35.41-7(b).

§ 35.41-5 Supervision and engineering.

The supervision and engineering expenses includible in the operating-expense accounts shall consist of the pay and expenses (company and railroad transportation, lodging, meals, taxicab fares and carfares, and other traveling and incidental expenses) of officers and employees of the carrier, and of consultants engaged in supervising and directing the operation and maintenance of wire-telegraph and ocean-cable plant; also office supplies for their use and other office expenses, including the maintenance of office furniture and equipment. (See also § 35.03-17.)

NOTE: The cost of direct supervision, such as by foremen or superintendents of repair gangs, and by supervisors in charge of particular operating functions, shall be included in the account or subaccount appropriate for the compensation of the employees whose work they are directing or supervising.

§ 35.41-6 Expenses of holding or servicing departments.

The records supporting such portions of the charges to each operating-expense or other account as are incurred or recorded by departments performing holding-company activities or furnishing services (other than telegraph services performed at published tariff rates) to other carriers or affiliates under license agreements, general service contracts, or other arrangements providing for the furnishing of general accounting, engineering, financial, legal, patent, or other general services, shall be so maintained that the carrier can report separately the amount of charges included in such operating-expense accounts applicable to each such other carrier or affiliate.

§ 35.41-7 Maintenance expenses.

(a) The cost of maintenance chargeable to the various operating-expense accounts and to the clearing accounts includes labor, materials, and overhead and other expenses incurred in maintenance work, such as:

(1) Inspecting, testing, and reporting on the condition of plant to determine the need for repairs, minor replacements, and rearrangements.

(2) Testing for, locating, and clearing trouble.

(3) Routine work (see also note A in this section) to prevent trouble such as pulling up slack, tightening guys, raking guy poles, trimming trees, straightening poles and crossarms, and cleaning and adjusting equipment.

(4) Replacing minor items of operated plant except when such items are replaced through the replacement of retirement units. (See also § 35.1-6.)

(5) Rearranging and changing the location of plant not retired.

(6) Minor repairs of materials for reuse. (See, however, §§ 35.1795 and 35.9016.)

(7) Restoring the condition of plant damaged by storm, flood, fire, accident, or other casualty. (See also § 35.2215 and note A to this section.)

(8) Restoring the condition of plant damaged by wear and tear, decay, or normal action of the elements. (See also note A to this section.)

(9) Cutting and replacing pavement, pavement base, and sidewalks in connection with repairs.

(10) Permits and privileges for maintenance work.

(11) Inspecting and testing after repairs have been made.

(12) Portion of local plant supervision attributable to maintenance.

(13) Cost of transportation, shop and store expenses, and use of tools and implements.

(b) The records supporting the entries in the operating-expense accounts including the maintenance-expense accounts, shall be so maintained that, in reports to the Commission, there may be shown separately the aggregate amounts of (1) direct payroll distributions of salaries and wages and (2) salaries and wages charged to clearing accounts, eventually allocated in whole or in part to operating expenses.

(c) Materials recovered in connection with the maintenance of plant shall be credited to the same account to which the maintenance cost was charged.

(d) Salvage and insurance recovered in connection with maintenance shall be credited to the appropriate maintenance account.

(e) If any amount of insurance recovered is relatively large and is received before the repairs have been completed, a disproportionate credit to the expense accounts may be avoided by crediting the amount of the insurance recovered to an appropriate subaccount of account 2399, "Other deferred credits," to which the cost of repairs shall then be charged to the extent covered by the insurance.

(f) Any incidental revenues received or earned, through the use of the carrier's employees or work equipment primarily engaged in maintenance work, shall be credited to the same account to which the maintenance cost was charged. Such revenues include those from the transportation of passengers or freight in or on the carrier's own transportation equipment, those from repairs made to the communication lines of other carriers, and those from other analogous operations involving the services of maintenance employees and equipment.

NOTE A: The cost of maintenance does not include the cost of replacing quantities of plant designated as retirement units in § 35.1-6-1.

NOTE B: Expenses incurred on account of property of others damaged in connection with maintenance work (except for the cost of incidentally repairing the property of others in the course of such work) shall be included in account 4325, "Injuries and damages."

NOTE C: Income from the use of work equipment of the carrier under leases that provide for exclusive possession by the lessee shall be included in account 5010, "Income from operating plant leased to others." (See particularly the note to § 35.1100.)

§ 35.41-8 Expenses of nonregulated operations.

(a) Operating expenses incurred by the carrier on behalf of its nonregulated operations and initially charged to prescribed operating expense accounts shall be transferred to nonregulated operations by debiting account 1625, "Nonregulated investments," and crediting the prescribed operating expense accounts. (See § 35.1625(b).)

(b) Operating expenses incurred by the nonregulated operations of a carrier on behalf of its regulated business and initially charged to the accounts of the nonregulated operation shall be transferred to regulated operations by debiting the prescribed operating expense accounts and crediting account 1625, "Nonregulated investments." (See § 35.1625(b).)

[48 FR 45087, Sept. 30, 1983]

§ 35.41-99 Contemplated form of operating-expense statement.

(See § 35.03-9.)

(1)	Particulars (2)	Wire-telegraph (3)	Ocean-cable (4)	Total (5)
	Maintenance expenses			
4101	Supervision of maintenance	$	$	$
4110	Testing and regulating			
4120	Maintenance of inside plant			
4130	Maintenance of aerial plant			
4140	Maintenance of underground plant			
4150	Maintenance of real estate			
4160	Maintenance of ocean cable			
4180	Maintenance-expense equalization			
4199	Other maintenance expenses			
	Total maintenance expenses	$	$	$
	Conducting-operations expenses			
4211	Supervision of operations	$	$	$
4212	Wages of operators			
4213	Wages of operating-office clerks			
4214	Wages of solicitors			
4215	Wages of messengers			
4219	Wages of other operating office employees			
4221	Field-supervision expense			
4223	Advertising and soliciting expense			
4231	Messenger-uniform expense			
4239	Other messenger expense			
4240	Operating power			
4251	House service; operating offices			
4255	Postage and stationery; operating offices			
4259	Other supplies; operating offices			
4261	Rents for operating offices			
4269	Rents for other facilities			
4271	Telephone company service			
4273	Terminal commission charges			
4275	Terminal commissions; expense credit	(Red)	(Red)	(Red)
4279	Obtaining news (CND) services			
4281	Traffic-damage awards			
4285	Traffic-damage expense			
4291	Rest and lunch rooms			
4295	Employment and training			
4299	Other conducting-operations expenses	$	$	$
	Total conducting-operations expenses			
	General expenses			
4311	Legal services	$	$	$
4315	General services, licenses, and royalties—Dr			
4317	General services, licenses, and royalties—Cr	(Red)	(Red)	(Red)
4321	Insurance	$	$	$
4323	Workmen's compensation			
4325	Injuries and damages			
4327	Relief and pensions			
4341	Franchise requirements			
4399	Other general expenses			
	Total general expenses	$	$	$
	Administrative expenses			
4410	Salaries of general officers and executives	$	$	$
4420	Salaries of general office employees			
4430	Expenses of general officers and general office employees			
4499	Other administrative expenses			
	Total administrative expenses	$	$	$
	Total operating expenses	$	$	[1] $

[1] Amount transferred to account 4000, "Operating expenses."

PRESCRIBED ACCOUNTS

Note: Number to the right of the decimal point is the account number.

Maintenance Expenses

§ 35.4101 Supervision of maintenance.

This account shall include the compensation and the office and other expenses of officers and employees engaged in supervising or directing the maintenance of the carrier's wire-telegraph and ocean-cable plant, as described in § 35.41-5.

§ 35.4110 Testing and regulating.

This account shall include the amounts of expenses incurred in patching wires, and in testing, watching, and regulating the operations of inside communication equipment; also in testing from test desks with repairmen engaged in maintenance of outside plant during the course of their work or upon its completion; and in making other tests to determine the condition of plant or to locate trouble. (See particularly § 35.41-7.)

Note: The expenses incurred in testing outside plant (other than the incidental inside testing indicated in the text of this account) shall be included in account 4130, "Maintenance of aerial plant," account 4140, "Maintenance of underground plant," account 4150, "Maintenance of real estate," or account 4160, "Maintenance of ocean cable," as appropriate.

§ 35.4120 Maintenance of inside plant.

This account shall include the amounts of expenses incurred in maintaining operated plant the cost of which is includable in the accounts provided for inside communication plant and accounts 61 and 69, and similar operated plant leased from others. (See particularly § 35.41-7.)

§ 35.4130 Maintenance of aerial plant.

This account shall include the amounts of expenses incurred in maintaining (a) operated plant the cost of which is includable in accounts 21, 22, 23, and 27, (b) similar operated plant leased from others, and (c) the right of way therefor. (See particularly § 35.41-7.)

§ 35.4140 Maintenance of underground plant.

This account shall include the amounts of expenses incurred in maintaining (a) operated plant the cost of which is includable in accounts 24, 25, 26, 28 and 29, (b) similar operated plant leased from others, and (c) the right of way therefor. (See particularly § 35.41-7.)

§ 35.4150 Maintenance of real estate.

This account shall include the amounts of expenses incurred in maintaining operated plant the cost of which is includable in the accounts provided for real estate (other than land used for right of way) and similar operated plant leased from others. (See particularly § 35.41-7.)

NOTE A: The cost of initial improvements in the preparation for service of either leased or purchased land, land improvements, and buildings shall be charged to the appropriate operated plant accounts, except when such improvements are of relatively minor cost or short life or the period of the lease is not more than 1 year. (See also §§ 35.1-1, 35.1-2, and 35.1-5.)

NOTE B [Reserved]

NOTE C: The cost of maintenance of land used for right of way shall be charged to account 4130, "Maintenance of aerial plant," or account 4140, "Maintenance of underground plant," as appropriate.

NOTE D: Any substantial increase or decrease in partitions resulting from changes therein shall be accounted for as additions or retirements, as appropriate.

NOTE E: When partitions of a movable type are replaced by partitions of a permanent type or vice versa, the costs involved shall be accounted for through the plant and depreciation-allowance accounts.

NOTE F: The cost of minor building alterations, such as opening and closing holes in ceilings, partitions, walls, and floors, incident to the installation of equipment, shall be included in the installation cost of the equipment.

[28 FR 13147, Dec. 5, 1963, as amended at 48 FR 45087, Sept. 30, 1983]

§ 35.4160 Maintenance of ocean cable.

This account shall include the amounts of expenses incurred in maintaining transoceanic-type cable (including terminal huts or houses and the equipment contained therein) and similar operated plant leased from others. (See particularly § 35.41-7.)

§ 35.4180 Maintenance-expense equalization.

This account shall include such amounts as the Commission may authorize or direct under an approved plan to equalize maintenance expenses as provided in § 35.2220.

§ 35.4199 Other maintenance expenses.

This account shall include the amounts of maintenance expenses not provided for elsewhere.

Conducting-Operations Expenses

§ 35.4211 Supervision of operations.

(a) This account shall include the compensation of officers and employees engaged in supervising or directing the operations of wire-telegraph and ocean-cable services. (See particularly § 35.03-17 (b) and (c); also § 35.41-5.)

(b) This account shall be subdivided between "General" (for the inclusion of the compensation of employees engaged in supervisory work at the headquarters or within geographical areas) and "Local" (for the inclusion of the compensation of employees engaged primarily in supervising or directing the operations of others in operating offices). Thus the subdivisions of this account shall be as follows:

4211:21 General supervision.
4211:22 Local supervision.

NOTE: The amounts of travel and other expenses of officers and employees whose compensation is includible in this account shall be included in account 4221, "Field-supervision expense."

§ 35.4212 Wages of operators.

This account shall include the amounts of compensation of employees engaged primarily in the transmission of messages. (See particularly § 35.03-17 (b) and (c).)

§ 35.4213 Wages of operating-office clerks.

This account shall include the amounts of compensation of employees engaged primarily in the receiving and delivering of messages at counters or by telephone and in quoting rates, collecting charges, keeping accounts, and performing other clerical duties in operating offices. (See particularly § 35.03-17 (b) and (c).)

§ 35.4214 Wages of solicitors.

This account shall include the amounts of compensation of employees engaged primarily in canvassing for business and interviewing customers for the purpose of promoting the further use of wire-telegraph and ocean-cable services. (See particularly § 35.03-17 (b) and (c); also § 35.4223.)

§ 35.4215 Wages of messengers.

This account shall include the amounts of compensation of employees engaged primarily in the pick-up and delivery of messages and in performing errand services. (See particularly § 35.03-17 (b) and (c); also § 35.4239.)

§ 35.4219 Wages of other operating-office employees.

This account shall include the compensation of employees engaged in any phase of conducting operations not provided for elsewhere. (See particularly § 35.03-17 (b) and (c); also §§ 35.4240, 35.4279, and 35.4285.)

§ 35.4221 Field-supervision expense.

This account shall include the amounts of travel expenses and expenses not provided for elsewhere of officers and employees the compensation of whom is includible in account 4211, "Supervision of operations."

§ 35.4223 Advertising and soliciting expense.

This account shall include the amounts of expenses incurred by employees whose compensation is includible in account 4214, "Wages of solicitors," and also expenses incurred in connection with commercial advertising for the purposes of promoting the further use of wire-telegraph and ocean-cable services, such as expenditures for newspaper advertising, literature, and similar items.

ITEMS

(See § 35.03-12)

Announcements of rate changes.
Commercial advertisements in newspapers and magazines and on radio and television.
Commercial advertising matter, such as posters, bulletins, booklets, and related items.
Electric current consumed in illuminating signs.
Exhibits in connection with industrial expositions, expenses of.
Expenses of canvassers, solicitors, and managers in charge of advertising and soliciting, and expenses of their office forces.
Lecture and demonstration tours for traffic-promotion purposes.
Public distribution of tariffs and notices of changes, expenses of.
Radio and television programs.
Window displays.

NOTE A: The costs of newspaper advertisements, literature, and similar expenses other than for commercial advertising purposes, such as advertisements of stock and bond issues, advertising for employees, and notices of dividends declared, shall be charged to the account appropriate for such costs.

NOTE B: The cost of flags, bunting, and similar expenses of decorating buildings shall be charged to account 9017, "House-service clearing account."

[28 FR 13147, Dec. 5, 1963, as amended at 32 FR 2638, Feb. 8, 1967]

§ 35.4231 Messenger-uniform expense.

(a) This account shall include the amounts of expenses incurred in altering, repairing, cleaning, and pressing uniforms.

(b) This account shall include also the cost of uniforms purchased.

(c) Physical inventories of the uniforms in service (including surplus uniforms available for service) shall be taken each calendar year, and, if any such inventory exceeds $1,000, any adjustments to bring this account and account 65, "Messenger uniforms," into harmony with the results of such physical inventory, shall be made in accordance with the provisions of § 35.65 (b) and (c).

§ 35.4239 Other messenger expense.

(a) This account shall include the amounts of expenses incurred in furnishing messenger service not provided for elsewhere.

(b) Expenses includible in this account include messenger carfare, and licenses and registration fees for bicycles and other vehicles used in messenger service.

§ 35.4240 Operating power.

This account shall include the amounts of expenses incurred in supplying power for the operation of the wire-telegraph and ocean-cable plant. This includes the cost of power purchased, the cost of fuel and other supplies consumed, and other expenses incurred in the generation, conversion, and storage of current.

NOTE A: The cost of installation of permanent power circuits for emergency use shall be included in the appropriate plant account.

NOTE B: The expense of producing power for house-service purposes shall be included in account 9017, "House-service clearing account," or other appropriate account.

NOTE C: The compensation of employees engaged primarily in supplying operating power shall be included in account 4219, "Wages of other operating-office employees." (See § 35.03-17 (b) and (c).)

§ 35.4251 House service; operating offices.

This account shall include the amounts of expenses incurred for house service of operating offices. (See the item list in § 35.9017.)

§ 35.4255 Postage and stationery; operating offices.

This account shall include the amounts of expenses incurred for postage, message blanks, and other stationery for use in operating offices.

§ 35.4259 Other supplies; operating offices.

This account shall include the amounts of expenses incurred for supplies used in operating offices not provided for elsewhere. (See particularly § 35.4255.)

§ 35.4261 Rents for operating offices.

This account shall include the amounts of expenses incurred as rent for space used for operating offices.

ITEMS

(See § 35.03-12)

Periodic rents (paid in cash).

Repairs (paid for lessor and deducted from cash payments of rent).

Taxes and fees (paid for lessor and deducted from cash payments of rent).

NOTE: Repairs and taxes borne by the lessee under the terms of the lease should be charged to the appropriate maintenance and tax accounts. (See, e.g., accounts 4150, "Maintenance of real estate," and 4932, "Other taxes; operating.")

§ 35.4269 Rents for other facilities.

This account shall include the amounts of expenses incurred as rents for the use of facilities other than space or leased plant comprising substantially complete operating systems or operating units held in exclusive possession by the carrier. It shall include rents for such facilities as ducts, conduits, material yards, poles, circuits, conductors, and transmitting and receiving equipment. (See also §§ 35.4261 and 35.5205.)

§ 35.4271 Telephone company service.

(a) This account shall include the amounts of expenses incurred for services furnished by telephone companies.

(b) Charges to this account shall be subdivided as follows:

4271:91 Local service.
4271:92 Toll service.
4271.93 Billing and collection.

4271:99 Other telephone company service. (See notes A and B.)

NOTE A: Rents for such facilities as ducts, conduits, material yards, poles, circuits, conductors, and transmitting and receiving equipment shall be included in account 4269, "Rents for other facilities."

NOTE B: Commissions for services rendered by telephone companies or others in originating and terminating messages shall be included in account 4273, "Terminal commission charges." (See particularly §§ 35.03-20 and 35.31-3.)

§ 35.4273 Terminal commission charges.

(a) This account shall include the amounts of commissions paid to other communication carriers, transportation companies, hotels, service stations, or other persons not employees of the carrier, for services rendered in originating and terminating messages or for similar communication services rendered to the carrier. (See particularly § 35.03-20; also §§ 35.3350 and 35.4275.)

(b) The records supporting the entries in this account shall be so maintained that in reports to the Commission there may be shown the amounts paid to (1) telephone companies, (2) other communication companies, and (3) others.

§ 35.4275 Terminal commissions; expense credit.

This account shall include the amounts of commissions received from other carriers for services rendered in originating or terminating messages, or for similar communication services involving the incidental use of the accounting carrier's employees and facilities. (See particularly §§ 35.03-20 and 35.3350.)

§ 35.4279 Obtaining news (CND) services.

This account shall include the amounts of expenses incurred in gathering information relative to stock and other market quotations, transactions in securities, sporting news, election returns, marine reports, and similar items subsequently disseminated to subscribers as news services.

NOTE: The compensation of employees engaged primarily in obtaining news services shall be included in account 4219, "Wages of other operating-office employees." (See § 35.03-17 (b) and (c).)

§ 35.4281 Traffic-damage awards.

(a) This account shall include the amounts of obligations incurred in the settlement of damages arising out of claims of delays and errors in service, including the amounts of revenues refunded in partial or complete settlement of such claims.

(b) The records supporting the entries in this account shall be so maintained as to show the amounts of settlements made during the accounting period with respect to delayed-delivery, nondelivery, error, and other causes, separately with respect to messages and to money orders.

(c) There shall be classed as delayed-delivery claims, those arising from delays in transmission or delivery; as nondelivery claims, those arising from failure to deliver; as error claims, those arising from error in transmission or delivery, except such as may be classified as delayed-delivery or nondelivery claims; and as other types of claims, those arising from causes not shown above, such as libel, fraud, and similar bases.

NOTE A: Expenses incident to traffic-damage claims shall be included in account 4285, "Traffic-damage expense."

NOTE B: The costs incurred on account of injuries to persons and damages to the property of others shall be included in account 4325, "Injuries and damages," or other appropriate account. (See particularly § 35.1-3(c)(5).)

§ 35.4285 Traffic-damage expenses.

This account shall include the amounts of expenses incurred in connection with closing claims for traffic damages, including court costs, the pay and expenses of witnesses other than employees, and the legal and other expenses incurred in connection with investigating, defending, or settling traffic-damage claims.

NOTE: The pay and expenses of officers and employees of the carrier shall be excluded from this account and included in account 4211, "Supervision of operations," account 4219, "Wages of other operating-office employees," account 4221, "Field-supervision expense," or other appropriate account.

§ 35.4291 Rest and lunch rooms.

(a) This account shall include the amounts of net costs incurred in operating rest and lunch rooms for employees, including the costs of meals provided and the costs of operating such facilities as rest rooms, quiet rooms, reading rooms, medical rooms, locker rooms, check rooms, and sleeping rooms.

(b) At cable-relay points and other places where subsistence is furnished to employees, a separate subdivision of this account shall be maintained in which shall be included the compensation of farm laborers, mess attendants, and other persons engaged in furnishing subsistence to the carrier's employees.

(c) Amounts received by the carrier for meals and other services the expense of which is included in this account, shall be credited under a separate subdivision.

§ 35.4295 Employment and training.

(a) This account shall include the cost of training new operators and other employees, either in school or otherwise, including the wages paid them for which no service is rendered, the salaries and expenses of instructors, and the cost of supplies furnished.

(b) This account shall include also the cost of advertising for employees and the office and other expenses of personnel officers and employees engaged in interviewing and hiring applicants.

§ 35.4299 Other conducting-operations expenses.

This account shall include the amounts of expenses incurred in conducting operations not provided for elsewhere.

General Expenses

§ 35.4311 Legal services.

This account shall include amounts payable to persons other than officers and employees of the carrier for legal services and related expenses not includible in other operating-expense accounts or in the plant accounts. (See particularly §§ 35.4285, 35.4315, and 35.4325; also § 35.1-3(c)(13).)

NOTE: The compensation and expenses of the legal staff of the carrier shall be included in account 4410, "Salaries of general officers and executives," account 4420, "Salaries of general office employees," account 4430, "Expenses of general officers and general office employees," or other appropriate account. (See also § 35.03-17.)

§ 35.4315 General services, licenses, and royalties—Dr.

(a) This account shall include the amounts of expenses incurred for services received under a license agreement, a general service contract, or other arrangement providing for the furnishing of general management, supervision, purchasing, accounting, engineering, financial, legal, patent, or other general services.

(b) The records supporting the entries in this account shall be so maintained as to show the respective amounts paid to each furnisher of the service with respect to each class of service so furnished. If the costs incurred in the first instance by the person furnishing the service are apportioned to the several recipients thereof, the records of the carrier served shall indicate the aggregate cost to the furnishing person and the method of apportionment to the recipient carrier.

§ 35.4317 General services, licenses, and royalties—Cr.

(a) This account shall be credited with amounts accruing (other than profits realized) from services rendered others under a license agreement, a general service contract, or other arrangement providing for the furnishing of general management, supervision, purchasing, accounting, engineering, financial, legal, patent, or other general services.

(b) Minor amounts of profits from such arrangements may be included in this account. (See also § 35.5020.)

§ 35.4321 Insurance.

(a) This account shall include the net cost (i.e., the amounts of premiums less the amounts of dividends or refunds), not provided for elsewhere, of commercial insurance including insurance to protect the carrier against losses on account of injuries to or deaths of persons other than employees and damages to owned or leased property used in wire-telegraph and ocean-cable services.

(b) This account shall also include amounts representing the current charges for self-carried insurance that are credited to account 2215, "Provisions for self-carried insurance." (See § 35.2215.)

(c) There shall be included in this account special costs incurred in procuring insurance, such as brokerage fees, notarial fees, and insurance inspection service, and the compensation and the travel, office, and other expenses of officers and employees engaged primarily in insurance work.

(d) In addition to the subdivisions prescribed in § 35.41-4(c), this account shall be further subdivided as follows (using the indicated numerals as the second digit in combination with the appropriate first digit):

1 Property-insurance premiums.
2 Other insurance premiums.
3 Self-carried insurance.
9 Other insurance expense.

(e) Among the insurable risks, the amounts of insurance premiums for protection against which are chargeable to this account, when incurred in connection with the carrier's wire-telegraph and ocean-cable operations, are the following:

INSURABLE RISKS

(See § 35.03-12)

Boiler explosion.
Burglaries, holdups, check alterations, and forgeries.
Business interruption (i.e., use and occupancy insurance).
Damages to the property of others.
Defalcation of employees and agents.
Fire, flood, storm, and other casualties to operated plant.
Injuries to or deaths of persons other than employees.
Nonperformance of contractual obligations of others.

Note A: All losses sustained including those covered by commercial insurance or provisions for self-carried insurance shall be charged to the allowance-for-depreciation, construction, injuries-and-damages, or other appropriate account, according to the character of the loss. Recoveries from insurance companies or others shall be credited to the particular account or accounts in which the loss covered by the insurance is includible. (See also note B to § 35.2215.)

Note B: Premiums on life insurance and annuities of officers and employees shall be included in account 4327, "Relief and pensions," except that when the carrier is the beneficiary the cost of such insurance shall be charged to account 5299, "Other deductions from ordinary income," or, if the carrier so elects, the cash surrender value may be included in account 1799, "Other current assets," in which event the excess of cost of the insurance over such cash surrender value shall be charged to account 5299.

Note C: Premiums for reinsurance of self-carried insurance shall be charged to account 2215, "Provisions for self-carried insurance."

Note D: Employer's liability insurance shall be included in account 4327, "Relief and pensions."

Note E: Insurance applicable to construction shall be included in account 1300, "Plant under construction."

§ 35.4325 Injuries and damages.

(a) This account shall include the amounts of losses (not provided for elsewhere) which occur in connection with the carrier's wire-telegraph and ocean-cable operations, including injuries to or deaths of persons other than employees, damages to the property of others (whether occasioned by fire, flood, storm, or other cause), and penalties incurred for nonperformance of contractual obligations.

(b) When an admitted liability arises on account of injuries or damages, the excess of the loss (estimated if not known) over the amount insured (whether by commercial insurance or self-carried insurance) shall be charged to this account and credited to an appropriate subaccount of account 2299, "Other provisions for future settlements." When an estimated liability has been so charged to this account, subsequent adjustments between this account and account 2299 shall be made in accordance with the provisions of § 35.03-14

(c) This account shall include also (1) the compensation and the travel, office, and other expenses of officers and employees primarily engaged in or specifically assigned to work in connection with the settlement of claims for injuries to persons other than employees and damages to the property of others, (2) fees of attorneys, investigators, and adjusters, and (3) court costs and similar items in connection with the settlement of claims.

(d) The amounts of injury and damage payments provided for by commercial insurance or by provisions for self-carried insurance shall be credited to this account and charged to the insurer or to account 2215, "Provisions for self-carried insurance," as appropriate.

NOTE A: There shall not be included in this account the amounts of premiums for insurance. (See § 35.4321.)

NOTE B: Costs applicable to workmen's compensation shall be included in account 4327, "Relief and pensions."

NOTE C: Losses incurred on account of traffic damages shall be included in account 4281, "Traffic-damage awards," or account 4285, "Traffic-damage expense," as appropriate.

NOTE D: The cost of incidentally repairing property of others damaged in connection with maintenance or construction work shall be included in the cost of such work.

§ 35.4327 Relief and pensions.

(a) This account shall include pensions or other benefits paid to active and retired employees, their representatives or beneficiaries, and salaries and expenses incurred in conducting relief, benefit, and general medical departments. It shall include payments to or on behalf of employees on account of injuries or accidental death when such payments come within the scope of a carrier's general provision for employees' benefits.

(b) If the carrier has definitely undertaken by contract to pay pensions to employees when regularly retired for superannuation or disability and has established a fund to be held in trust for such pension purposes, the carrier shall charge to this account monthly amounts determined through the application of equitable actuarial factors to the current pay rolls, which together with interest accruals on the trust funds, will as nearly as may be, provide for the payment of such pensions, or for the purchase of annuities corresponding thereto. There may be included in this account reasonable amounts to provide for pension costs based on service rendered prior to the period for which the accruals are made. Such amounts may be spread over a reasonable period of years if inclusion in the current year seriously distorts the expenses of that year. Amounts charged to this account under the provisions of this paragraph shall be concurrently credited to a separate subaccount under account 2210, "Provisions for employees' pensions and welfare." The amounts accrued in each year shall correspond to the aggregate of the amounts expended directly by the carrier for pensions or annuities during the year and amounts paid into the trust fund. The carrier shall maintain a complete record of the actuarial computations through which the accrual each month of its pension liabilities is established.

(c) There shall be segregated in a separate subaccount any charges representing interest on the unfunded actuarial liability for the purpose of arresting the growth of such liability or any charges designed to dispose of, in a lump sum amount or over a reasonable period of years, such unfunded actuarial liability.

(d) Before adopting the accrual plan of accounting for pensions the carrier shall inform the Commission of the details of its pension plan giving full statement of the facts which in its judgment establish a contractual obligation for pension payments together with the actuarial formula under which it proposes to create its pension trust fund, and also a copy of the declaration of trust under which the fund is established. Each carrier that has adopted the accrual plan of accounting for pensions shall make no change in the accounting therefor or in the method of computing the amounts of the accruals recorded in the accounts under the plan without first submitting full particulars of the proposed changes and a detailed statement of the reasons therefor to the Commission for its consideration and approval.

(e) No charges to this account shall be made in anticipation of discretionary pension payments in the future.

(f) This account shall include also, under a separate subaccount, amounts accrued to provide for the payment of termination allowances or similar benefits to employees of the carrier when such employees are laid off because of lack of work, and to provide necessary and warranted relief to former employees. Charges to this subaccount shall be made only after approval by the Commission of the carrier's plan for administering payments for these purposes and of the amount of the accruals. Amounts charged to this subaccount shall be concurrently credited to account 2210, "Provisions for employees' pensions and welfare."

(g) There shall be credited to this account that portion of each class of relief and pensions assigned to construction and custom-work labor.

ITEMS

(See § 35.03-12)

Accident, sickness, death, and other disability benefits to employees, their representatives or beneficiaries.
Cost of providing workmen's compensation.
Employees of relief, benefit, and general medical departments, pay and expenses of.
Expenses in connection with employees' disability cases, such as hospital, nursing, and medical attendance.
Fees and retainers for medical and similar services incurred by relief, benefit, and general medical departments.
House service.
Medical supplies.
Office supplies.
Payments for supplementary or special pensions.
Postage, printing, and stationery.
Premiums paid for group insurance for the benefit of employees or their beneficiaries.
Repairs of furniture and equipment, and cost and repairs of individual items of small value or short life.
Travel expenses.

§ 35.4341 Franchise requirements.

(a) This account shall include the amounts of payments to governmental authorities and the cost of materials, supplies, and services furnished such authorities without reimbursement in compliance with franchise, ordinance, or similar requirements, except that communication services so furnished may be included in this account at effective rates instead of cost.

(b) This account shall include the amounts of payments for franchises running for 1 year or less after acquisition, and may include direct charges for franchises acquired at small cost.

(c) This account shall have the following subdivisions: "Cash outlays" (for the inclusion of amounts subject to cash settlement), "Communication services—Dr." and "Communication services—Cr." (for the inclusion of charges and credits, respectively, representing the amounts of revenues that would be derived at the effective rates from wire-telegraph and ocean-cable services that are furnished without direct compensation), and "Other" (for the inclusion of items not otherwise provided for). Thus, in addition to the subdivisions prescribed in § 35.41-4(c), this account shall be further subdivided as follows (using the indicated numerals as the second digit in combination with the appropriate first digit):

1 Cash outlays.
2 Communication services—Dr.
3 Communication services—Cr.
9 Other.

Note A: The cost of plant, supplies, and similar items given as an initial consideration for a franchise running for more than 1 year shall be included in the plant accounts.

Note B: Franchise taxes paid annually or more frequently shall be included in account 4932, "Other taxes: operating."

Note C: The cost of operated plant furnished to a governmental agency without charge or used by the carrier in rendering services to a governmental agency without charge shall be included in the appropriate plant accounts, and the maintenance expenses incurred in connection with such operated plant shall be charged to the appropriate maintenance accounts.

Note D: The cost of reconstructing, or of changing the location of, operated plant to conform with governmental requirements including such work required under the provisions of a franchise or ordinance, shall be charged to the maintenance-expense, operated plant, and allowance-for-depreciation accounts appropriate for the work performed.

§ 35.4399 Other general expenses.

This account shall include the amounts of operating expenses not includible in other accounts.

ITEMS

(§ 35.03-12)

Commissions paid agents for leasing space to others in buildings partly occupied by the carrier in connection with its communication operations.

Conventions and meetings of the industry contributions for.
Fees and expenses of directors.
Patents having an estimated service life of 1 year or less and patents acquired at small cost, amounts paid for.
Research and development work, not includible in other accounts, cost of. (See also § 35.03-10.)

Administrative Expenses

§ 35.4410 Salaries of general officers and executives.

This account shall include the amounts of compensation of officers and executives of the carrier that are properly chargeable to wire-telegraph and ocean-cable operations and are not directly applicable to a particular function. (See also §§ 35.03-17 and 35.41-5.)

§ 35.4420 Salaries of general office employees.

This account shall include the amounts of compensation of employees engaged in the general offices of the carrier that are properly chargeable to wire-telegraph and ocean-cable operations and are not directly applicable to a particular function. (See also §§ 35.03-17 and 35.41-5.)

§ 35.4430 Expenses of general officers and general office employees.

This account shall include the amounts of expenses incurred for the benefit of the carrier in its wire-telegraph and ocean-cable operations by general officers and executives and general office employees whose compensation is includible in account 4410, "Salaries of general officers and executives," or account 4420, "Salaries of general office employees."

§ 35.4499 Other administrative expenses.

(a) This account shall include the amounts of expenses incurred in carrying out administrative functions that are not provided for elsewhere.

(b) Among the items includible in this account are the costs of postage, stationery, and printing for use in general offices, repairs of office furniture, rents, and other analogous expenses of general offices.

CLEARING ACCOUNTS

INSTRUCTIONS

§ 35.90-1 Purpose of clearing accounts.

The clearing accounts are provided primarily as a medium for the distribution of certain amounts that affect more than one account.

§ 35.90-2 Disposition of balances in clearing accounts.

(a) The balances in the clearing accounts shall be distributed to the appropriate accounts not later than the end of the calendar year unless amounts included therein appropriately affect the accounting for future periods. Such distribution shall be made by (1) transferring to the appropriate accounts all items that are known to be applicable to each such account and (2) apportioning the remaining amounts among the several accounts on an equitable basis. The carrier shall be prepared to explain at any time, particularly in its annual reports to the Commission, the practices occasioning the carrying forward of balances in these accounts as at the end of any accounting period.

(b) The undistributed balances that appropriately affect the accounting for future periods shall be stated on the balance sheet under account 1940, "Debit balances in clearing accounts," or account 2320, "Credit balances in clearing accounts," as appropriate, except that any undistributed balance in account 9016, "Supply clearing account," shall be reported on the balance sheet under account 1795, "Material and supplies." (See particularly § 35.1795(f).)

§ 35.90-3 Subdivisions of clearing accounts.

Each clearing account that includes more than one of the following elements shall be subdivided as follows:

:1 Direct labor.
:2 Supervision and other overheads.
:3 Direct material (including supply expense).
:9 Other charges.

PRESCRIBED ACCOUNTS

NOTE: Number to the right of the decimal point is the account number.

§ 35.9011 Research and development clearing account.

(a) This account shall include the costs incurred in the operation of laboratories and experimental stations for the development of equipment, systems, and methods for use by the carrier in wire-telegraph and ocean-cable services; including the pay and expenses of employees engaged in research and development, the cost of models, the allocable portion of expenses for supervision, clerical forces, materials, supplies rents, and other expenses incurred in maintaining general laboratories for research and experimental work. (See also § 35.03-10.)

(b) Amounts included in this account applicable to projects that have been abandoned shall be cleared by credits hereto and, when borne by the carrier shall be charged to account 6120, "Extraordinary current income charges," unless otherwise authorized or directed by the Commission.

ITEMS

(See § 35.03-12)

Compensation and expenses of employees
Depreciation.
Heat, light, and power.
Maintenance.
Material and supplies.
Rent.
Repairs.
Royalties.
Small tools.

§ 35.9012 Vehicle clearing account.

This account shall include the net costs incurred in the operation of (a) vehicles and other transportation equipment the cost of which is includible in account 71, "Vehicles," and (b) similar operated plant leased from others, including depreciation and maintenance and other expenses applicable to such equipment.

NOTE: Amounts received for the use of the carrier's vehicles while in the exclusive possession of others shall be credited to account 5010, "Income from operated plant leased to others," either directly or through this account.

§ 35.9013 Shop clearing account.

This account shall include the costs incurred in the operation of the carrier's repair shops, and shops engaged in manufacturing or in reprocessing of material, including depreciation and maintenance and other expenses applicable to such shops.

ITEMS

(See § 35.03-12)

Compensation and expenses of shop employees.
Depreciation.
Heat, light, and power.
Maintenance.
Material and supplies.
Repairs, including the cost of repairing reusable material.
Rent.
Small tools.

§ 35.9014 Tool and implement clearing account.

(a) This account shall include the costs incurred in the operation of (1) general tools and implements the cost of which is includible in account 74, "Tools and implements," and (2) similar operated plant leased from others, including depreciation and maintenance and other expenses applicable to such equipment.

(b) This account shall include also the cost of hand and other portable tools that have relatively small value or short life when properly includible in this account under the provisions of § 35.1-1(d).

ITEMS

(See § 35.03-12)

Depreciation.
Maintenance.
Material and supplies.
Rent.
Small tools.

§ 35.9015 Plant-supervision clearing account.

This account shall be used when supervisory officers or employees of the carrier are regularly assigned to duties that involve construction, maintenance, and operation work or any combination of these types of work. When so used, this account shall be charged initially with the compensation and the office and other expenses of such officers and employees. (See particularly §§ 35.03-17 and 35.41-5.)

ITEMS

(See § 35.03-12)

Books and periodicals.

Compensation and expenses of plant-supervising officers and their staffs—including engineers, office and field forces charged with planning for and superintending maintenance, construction, and plant removal work.

Heat, light, and power for offices.

Postage, printing, and stationery.

Rent and repairs of offices.

Supplies.

Tools and instruments of small value or short life.

§ 35.9016 Supply clearing account.

(a) This account shall include the costs incurred in connection with the purchase, storage, handling, and distribution of material and supplies.

(b) Amounts includible in this account include depreciation and maintenance on equipment the cost of which is includible in account 73, "Store and warehouse equipment," transportation charges on material purchased that are impracticable of association with the particular material to which they are related, and the cost of repairing reusable material when such cost cannot be associated with the particular material to which it is related. (See also § 35.41-7(a)(6).)

(c) This account shall be credited with the amounts of cash or other discounts on purchases when it is impracticable to associate such discounts with the particular material to which they relate.

(d) This account shall be cleared by adding to the cost of material and supplies a suitable loading charge that will equitably distribute the amounts contained in this section.

ITEMS

(See § 35.03-12)

Books and periodicals.

Compensation and expenses of purchasing agents, superintendents and supervisors of supplies, managers of stores, storekeepers, clerks, and laborers.

Customs duties and excise taxes.

Depreciation and maintenance of storeroom equipment.

Insurance against losses and damages to material and supply stock. (See also §§ 35.1795, 35.4321 and 35.1-3(c)(9).)

Inventory differences in material and supplies that cannot be assigned to specific accounts. (See also § 35.1795(e)).

Losses due to breakage, leakage, evaporation, and fire and other casualities to supply stock not assigned to specific accounts or distributed through the pricing of material and supplies disbursed.

Postage, printing, and stationery.

Rent and repairs of storehouses, storerooms, storage yards, and other quarters.

Supplies used.

Transportation charges, undistributed.

NOTE: Transportation charges on material recovered from plant shall be charged to the account to which the cost of removal is charged.

§ 35.9017 House-service clearing account.

This account shall include the costs incurred in the operation of buildings and space (whether owned or rented) occupied by offices.

ITEMS

(See § 35.03-12)

Cleaning supplies.

Compensation and expenses of building superintendents and others engaged in supervising house-service operations.

Elevator service.

Heat.

Janitor service.

Light.

Postage, printing, and stationery.

Power. (See also § 35.4240.)

Refrigeration.

Rent and repairs of quarters used in the supervision of general house-service operations other than space used by janitors and similar employees in furnishing house service for a particular building.

Supplies.

§ 35.9018 Floating-equipment clearing account.

This account shall include the net costs incurred in the operation of (a) floating equipment the cost of which is includible in account 75, "Floating equipment," and (b) similar operated plant leased from others, including depreciation and maintenance and other expenses applicable to such equipment.

NOTE: Amounts received for the use of the carrier's floating equipment while in the exclusive possession of others shall be credited to account 5010, "Income from operated plant leased to others," either directly or through this account.

§ 35.9019 Railway-equipment clearing account.

This account shall include the net costs incurred in the operation of (a) railway equipment the cost of which is includible in account 76, "Railway equipment," and (b) similar operated plant leased from others, including depreciation and maintenance and other expenses applicable to such equipment.

NOTE: Amounts received for the use of the carrier's railway equipment while in the exclusive possession of others shall be credited to account 5010, "Income from operated plant leased to others," either directly or through this account.

RETIREMENT UNITS

§ 35.1-6-1 List of units to be used in connection with the accounting provided in § 35.1-6.

(a) The list of retirement units included in paragraph (e) of this section shall not be considered as determining the classification of plant (see § 35.03-12) or as property units for use in continuous property-records (see § 35.1-8), but shall be used in connection with the accounting for operated plant retired (see § 35.1-6).

(b) Elimination of or substitution for retirement units listed herein may not be performed without specific authority by the Commission except that retirement units which are not combinations of the listed retirement units may be added without such authority and carriers may account for listed units as maintenance when of small cost and not complete units of operated plant.

(c) This list shall be expanded by the carrier to include complete units of operated plant not shown herein.

(d) The carrier shall report to the Commission, within 90 days after June 30 of each year, and as at that date, all additions which have been made to the list under this authority, all units included in the list which have become obsolete, either as to technical titles or as to use in communication service, and the units which the experience of the carrier has shown to involve a small cost only. These reports should include such other information concerning the list as the carrier may desire to place before the Commission with requests for appropriate action by the Commission in the matters described.

(e) The article "a," "an," or "the," as appropriate, should be read in connection with each retirement unit listed in this section.

Land Used for Right of Way (Account 11)

Parcel—any size.

Land Improvements (Account 14)

Barrier or fence, snow—complete length of or section of.
Bench (park, tennis court, etc.).
Billboard or sign (isolated outdoor signs not associated with buildings or other structures).
Bridge or trestle, foot or road.
Court, tennis—complete.
Curbing—continuous length of 50 feet or more.
Fence or wall—continuous length of 50 feet or more.
Gate, ornamental.
Hedge—continuous length of 50 feet or more.
Lane or cleared area (forest fire protection)—parcel of any size.
Lawn—complete.
Lighting system, yard—complete; or
  Cable, buried—continuous length of 300 feet or more.
  Fixtures, light—all in one yard.
  Pole, post, or standard (with or without appurtenances).
Platform, loading (associated with a railroad spur or siding—not part of a building)—complete.
Pole, flag.
Pool, swimming (outdoor—not part of a building)—complete.
Roadway—continuous length of 50 feet or more.
Sidewalk—continuous length of 50 feet or more.
Spur or siding, railroad—complete.
Stand or pit (outdoor), car-washing or greasing.
Track, railroad—continuous length of 50 feet or more.
Trees, shrubbery, etc.—entire group in a specific area.

Buildings (Account 15)

Building—complete; or
  Boiler.
  Conveying system, coal or ash.
  Elevator—complete with operating mechanism.
  Equipment (items, such as the following, with or without associated wiring, control equipment, etc.):

Compressor.
Drum, elevator.
Engine.
Fan, ventilating.
Generator.
Motor.
Pump.
Turbine.
Washer, air.

Fire escape—complete.
Floor covering for one room.
Furnace.
Gas burner system.
Heater, hot water.
House lighting or power board.
Oil burner system.
Roof (with or without supporting members)—entire.

NOTE A: A building of irregular shape having more than one roof level may have several isolated roofs, each of which shall be considered an entire roof. In the case of buildings to which lateral extensions have been made, even though having but one roof level, that part of the roof covering an entire section built at one time shall be considered an entire roof.

Stoker, automatic.
Tank, oil.
Window, metal—complete (i.e., box, frame, and sash).

NOTE B: In addition to the above units of property, material (i.e., portions of buildings, equipment, fixtures, etc.) installed and retired, and the labor and incidental costs involved in connection with work of the following character, shall be handled through the plant and depreciation allowance accounts:

(1) Changes in the type of operation of elevator systems, e.g., a change from manual to automatic control of cars, from manual to power operation of doors, from low speed to high speed, from direct to alternating current, from hydraulic to electric operation, from one type of signaling or dispatching system to another.

(2) Relocation of toilet rooms, battery rooms, kitchens, terminal rooms, machine rooms, transformer vaults, etc.

(3) Structural changes such as: (a) Reinforcements of floors, roofs, bearing walls, footings, and foundations; (b) additions or relocations of elevator shafts, stairways, fire exits, and vaults, but excluding switchboard cable holes and slots; and (c) building alterations required for fire protection and other safety measures.

(4) Changes in the type of electric current supply, or of ventilating, air conditioning, or similar systems.

(5) Building enlargements.

(6) Replacements of the following character—

(a) Replacements of plumbing or heating pipes (with or without associated valves) except when necessitated by minor repairs or minor relocations of fixtures.

(b) Replacements of all or substantially all the lighting fixtures (with or without associated wiring and conduit) in one operating or equipment room or, in the case of office space, on one floor of a building.

(c) General replacements (throughout a building or throughout an entire portion erected at one time) of items such as supply, return, or air valves in heating systems; hot or cold water valves or faucets; and plumbing, heating, or drainage traps.

Poles (Account 21)[1]

Cross arm (i.e., wooden cross arm, guard arm or cable cross arm, including extension arms), with or without associated braces and other hardware.
Fixture, special (i.e., a bridge fixture, a tower or other special river crossing or long-span fixture), with or without associated anchors, guys, steps, etc.
Pole (i.e., line pole, brace pole, guy pole, or pole forming part of an A or H fixture), with or without associated anchors, guys, steps, etc.

Aerial Wire (Account 22)[1]

Antenna, with or without supports—complete.
Equipment such as loading coils, building-out condensers, carrier-line filters, or auto-transformers—case.
Underground dip cable, between poles and/or buildings—section of.
Wire (with or without associated steel pins, insulators, transposition brackets, etc.)—one mile or more of one bare wire, or one thousand (1,000) feet or more of one insulated wire.

Aerial Cable (Account 23)[1]

Underground Cable (Account 24)[1]

Buried Cable (Account 25)[1]

Submarine Cable (Account 26)[1]

House Cable (Account 27)

Ocean Cable (Account 31)[1]

Span of cable, with or without associated suspension strand, clamps, rings, etc. (The term "a span" shall include a length of cable from a "Y" splice not located at a pole to a pole or building).

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[1] Ocean-cable carriers may, with respect to pole lines and cables located outside the continental United States, consider as retirement units (1) one entire land section of cable or one continuous mile thereof, whichever is less, and (2) one continuous mile of pole line with or without associated cable, wire, cross-arms, and fixtures.

Section or run of cable, with or without associated elements and parts, as follows:

(1) Between a manhole, handhole, or service box and a pole, building, fence, wall, or the junction with house cable.

(2) Between manholes, handholes, or service boxes; or between an office cable vault and an office manhole.

(3) Between a cable vault or an office manhole and the junction with the main frame terminating cables.

(4) A section of buried cable 300 feet or more in length, or a section of buried cable between manholes, splicing boxes, or pedestals.

(5) All of a continuous run of one size of house cable. ("All of a continuous run of one size" means a section between splices other than straight splices).

(6) All of a continuous run of one size of block cable, i.e., cable attached to buildings, walls, or fences. ("All of a continuous run of one size" means a section between splices other than straight splices).

(7) All of a submarine cable for one crossing; or a section of submarine cable 300 feet or more in length.

(8) A section of underground dip cable between poles and/or buildings, or the appropriate units listed above.

(9) A section of ocean cable between two terminal points, or a section involved in rerouting such cable. However, carriers having a shared interest in ocean cable shall use the same retirement units for such cable as the carrier which performs the initial plant accounting with respect thereto and continues as the party responsible for its maintenance and the accounting therefor. If the party responsible for cable maintenance and the accounting therefor is not a carrier under the Communications Act, the Commission shall be consulted concerning the retirement units to be used.

Any length of cable which is a continuation of a unit of cable and is replaced with such unit.

Any length of cable connected with but not a part of a terminal, or a case of equipment such as loading coils when replaced with the terminal or case of equipment.

Main frame terminating cables (generally silk and cotton insulated)—All the cables including forms used for terminating one outside cable.

Anchorage, submarine cable.

Cross connecting frame, underground or buried cable.

Equipment such as loading coils, building-out condensers, carrier-line filters, or auto-transformers—case.

Frame, submarine or house cable terminating.

Fuse pot.

Hut or house, submarine cable.

Terminal (cable), protected or unprotected, with or without associated balcony, pole seat, pedestal, etc.—complete.

Terminal (pressure contactor), with or without contractor.

Underground Conduit (Account 28)

Conduit, section of—

(1) Between two manholes, handholes, or service boxes.

(2) Between a manhole, handhole, or service box and a pole or building.

(3) Between an office cable vault and an office manhole.

(4) Underground dips—between two poles, between a pole and a building; between two buildings; or units (1) and (2) above.

Manhole, handhole, or service box.

NOTE: When a manhole is reconstructed; i.e., enlarged or changed in design, the investment representing the portions of the manhole removed, whether or not replaced, shall be written off to the depreciation allowance account.

Pneumatic Tubes (Account 29)

Manhole or handhole.

Tubing, with or without protective covering section of—

(1) Between two manholes or handholes.

(2) Between a manhole or handhole and a building or the junction with a house tube line.

(3) A section of buried tubing 300 feet or more in length.

(4) Any length of tubing that is a continuation of a unit of tubing and is replaced with such unit.

Message Transmitting and Receiving Equipment (Account 41) and Repeater and Terminal Equipment (Account 42)

Each principal item of equipment, such as:

- Amplifier or magnifier—signal shaping or synchronizing power.
- Anti-induction equipment, wired and equipped—cabinet or rack of.
- Artificial line (ocean cable).
- Bay, alternator.
- Cabinet (wired)—balancing, cable switching relay, concentrator equipment, fork control, impulse unit, self-service telegraph, or switching equipment.
- Concentration unit or concentrator.
- Console, printer.
- Modulator group.
- Network, balancing or sending (ocean cable).
- Pacer, transmission.
- Perforator or reperforator (cable code).
- Printer or printer-perforator.
- Rack (wired), with or without equipment.
- Reactor, resonant.

Recorder (facsimile).
Recorder or relay (ocean cable).
Repeater.
Selector, way station.
Set—composite, Morse, terminal, or test.
Shunt, magnetic.
Speed matcher (ocean cable).
Station, telephone.
Table (wired), with or without equipment.
Tape puller, motor driven.
Temperature control—artificial line (not part of building).
Terminal, carrier or carrier channel.
Transceiver (facsimile).
Translator (ocean cable).
Transmitter (facsimile or ocean cable)
Turret, reperforator switching.
Writer, direct.

Switchboards and Distributing Frames (Account 43)

Each principal item of equipment, such as:
- Frame—cross or distributing—section thereof.
- Set, test.
- Switchboard or section thereof.

Pneumatic Tube and Conveyor Equipment (Account 44)

Each principal item of equipment, such as:
- Blower plant.
- Compressor plant.
- Conveyor—Belt, cord, or strap.
- Gravity drop or duct (not part of building or belt conveyor)
- Terminal equipment—distant, home, or intermediate station.
- Tubing, penumatic—complete run in a building between terminals.

Power Equipment (Account 45)

Each principal item of equipment, such as:
- Battery—primary or storage (except dry cells)—with or without rack.
- Bench or panel—motor-generator (separate or combined).
- Board or panel—battery charging.
- Circuit breaker (not a component part of other listed items).
- Generator—motor, engine, or turbine.
- Meter—watt-hour or demand.
- Power distribution installation.
- Rectifier.
- Transformer.

Messenger Call Circuit Equipment (Account 46)

Each principal item of equipment, such as:
- Annunciator.
- Box, call.
- Register, call circuit.
- Switchboard, call circuit.

Time Service Equipment (Account 47)

Each principal item of equipment, such as:
- Clock—control, master, or service.
- Control equipment, time stamp.
- Repeater, time service.
- Switchboard—time service, or time-messenger.
- Synchronizing equipment, motor driven.

Ticker and Commercial News Service Equipment (Account 48)

Each principal item of equipment, such as:
- Bench, work.
- Keyboard, ticker-transmitter.
- Pedestal, ticker.
- Perforator, keyboard.
- Printer.
- Printer-perforator.
- Repeater.
- Switchboard or section thereof (ticker).
- Table, ticker—auxiliary switchboard, operating, or test.
- Ticker.
- Unit, ticker branch station.

Office Cable and Conduit (Account 49)

The entire cable and conduit installation in a single office.

A replacement at a single office under a single (but not unduly parceled) project when the cost of the plant retired exceeds $1,000 or 10% of the cost of all the plant represented in the account for that office.

Equipment Furnished Customers (Account 51)

The retirement units for this account shall correspond to those designated for comparable equipment in carriers' offices.

Other Inside Communication Plant (Account 59)

Each principal item of equipment.

NOTE: The retirement units for equipment in schools shall correspond to those designated for comparable equipment in operating offices.

Furniture and Office Appliances (Account 61)

Each principal item of equipment, such as:
- Air-conditioning units (not part of building).
- Bed, cot, couch, chest, dresser, or stand.
- Book case.
- Cabinet or locker—file or storage (except in storerooms).
- Caldron or kettle, large.
- Carpet, rug, or other floor covering.
- Cart, utility service.
- Cash register.
- Cashier's cage—detachable.
- Chair, stool, or bench.
- Clock.
- Counter or bin.
- Crockery or glassware—all at one location.
- Cutlery or silverware—all at one location.

Desk or table.
Dictaphone.
Disposal unit, garbage.
Fire extinguisher—refillable.
Heater, electric.
Inter-office communicating system.
Lamp—floor or desk.
Machine—addressing, baling, billing, bookkeeping, computing, dishwashing, grinding, ironing, mixing, polishing, pressing, punching, recording, scrubbing, sewing, shoe-shining, slicing, sorting, stenographic, tabulating, washing.
Movie projector.
Oven (not part of a building).
Platform, movable.
Pots, pans, and other cooking utensils—all at one location.
Rack or costumer.
Rack, bicycle.
Radio or phonograph.
Range or hotplate—gas or electric.
Recreation equipment (such as a pool table).
Refrigerator.
Safe.
Scales.
Screen, folding.
Shelving, removable—all at one location.
Stamp, time.
Table—kitchen, cold, or steam.
Tank, movable.
Toaster, percolator, or other electric appliance.
Typewriter.
Urn, coffee or hot water.
Vacuum cleaner.
Vat (not attached to building).
Vending machine.
Ventilator.
Water cooler.
Wringer, copy—motor driven.

Other Office and Messenger Equipment (Account 69)

Each principal item of equipment.

Vehicles (Account 71)

Each complete item of equipment (the original cost of which was charged to the plant account), such as—

Automobile, passenger.
Derrick, pole.
Earth boring machine.
Tractor.
Trailer.
Truck, with or without body.
Winch, power.

Shop Equipment (Account 72)

Each principal item of shop equipment such as—

Air compressor.
Anvil.
Bench, work.
Blower.
Boiler, with or without piping or equipment.
Boring mill.
Box, bin, or rack.
Buffer.
Cabinet, storage.
Compressed air tool.
Convertor.
Crane.
Derrick.
Drill, power.
Engine.
Fire extinguisher.
Forge.
Generator.
Gas producer.
Grinder, power.
Hammer, power.
Hoist.
Ladder.
Lathe.
Loader, power.
Locker, storage.
Milling machine.
Motor (not part of another unit).
Planer.
Power board.
Pneumatic tool.
Press.
Pump.
Pump, gasoline.
Pump, oil.
Riveter.
Saw, power.
Scale.
Shelving, movable—section of.
Spray gun.
Stocks and dies—set of.
Table, repair or paint.
Testing set, non-portable.
Time clock.
Torch.
Transmission shaft, power, with or without pulleys.
Truck, hand.
Vise.
Winch.
Wire measuring machine.

Store and Warehouse Equipment (Account 73)

Each principal item of store and warehouse equipment, such as—

Barrow.
Bench, work.
Box, bin, or rack.
Cabinet, storage.
Cart.
Conveyor.
Counter.
Crane.
Hoist.
Ladder.
Pump.
Scale.

Shelving—section of.
Tank.
Tools and implements used in a storeroom (as listed under account 74)—unit of.
Truck, hand.
Wire measuring machine.

Tools and Implements (Account 74)

Each principal item of tools and implements, such as—

Air compressor, mobile.
Back filling machine.
Blower, power.
Concrete mixer.
Crane, mobile.
Derrick, mobile.
Drill or hammer, power.
Earth boring machine (not part of a truck or tractor).
Forge, portable.
Loader, power.
Vacuum cleaner, industrial type.
Wire measuring machine.

Floating Equipment (Account 75)

Each principal item of floating equipment, such as—

Anchor chain or cable.
Barge.
Boat, life.
Boiler.
Crane or winch (loading and lifting).
Engine.
Furnishings of one cabin or room.
Generator.
Hull.
Inside communication equipment installed on floating equipment—unit of.
Mast, with or without rigging.
Motor.
Rotor.
Ship, boat, launch, or other vessel, with or without associated equipment and appurtenances.
Shop equipment installed on floating equipment—unit of.
Store and warehouse equipment installed on floating equipment—unit of.
Superstructure—all constructed at one time.

Railway Equipment (Account 76)

Each principal item of railway equipment, such as—

Body or tank, car.
Car, hand.
Car, motor driven.
Car, push.
Car, railway, with or without associated equipment and appurtenances.
Inside communication equipment installed on a railway car—unit of.
Interior furnishings of an office, bunk, sleeping, kitchen, or dining car.
Shop equipment installed on a railway car—unit of.
Store and warehouse equipment installed on a railway car—unit of.
Trucks, car—set of.
Underframe, car.
Velocipede.

Emergency Facilities (Account 77)

Each principal item of emergency facilities, such as—

Cable, emergency—continuous length of 50 feet or more.
Engine generator set—complete; or
  Engine.
  Generator.
Transmission equipment, portable—all the equipment in one truck or trailer.

Laboratory Equipment (Account 78)

Each principal item or an important component unit of an assembly or installation.

[28 FR 13147, Dec. 5, 1963, as amended at 29 FR 12776, Sept. 10, 1964]

PART 36—JURISDICTIONAL SEPARATIONS PROCEDURES; STANDARD PROCEDURES FOR SEPARATING TELECOMMUNICATIONS PROPERTY COSTS, REVENUES, EXPENSES, TAXES AND RESERVES FOR TELECOMMUNICATIONS COMPANIES [1]

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[1] The Commission has determined that the same jurisdictional separations used in the contiguous states are to be used for Alaska, Hawaii, Puerto Rico and the Virgin Islands. *Integration of Rates and Services*, Docket No. 21263, 87 FCC 2nd 18 (1981); *Integration of Rates and Services*, Docket No. 21264, 72 FCC 2nd 699 (1979).

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APPENDIX—GLOSSARY

AUTHORITY: 47 U.S.C. Secs. 151, 154 (i) and (j), 205, 221(c), 403 and 410.

SOURCE: 52 FR 17229, May 6, 1987, unless otherwise noted.

Subpart A—General

§ 36.1 General.

(a) This part contains an outline of separations procedures for telecommunications companies on the station-to-station basis. These procedures are applicable either to property costs, revenues, expenses, taxes, and reserves as recorded on the books of the company or to estimated amounts.

(1) Where a value basis is used instead of book costs, the "costs" referred to are the "values" of the property derived from the valuation.

(b) The separations procedures set forth in this part are designed primarily for the allocation of property costs, revenues, expenses, taxes and reserves between state and interstate jurisdictions. For separations, where required, of the state portion between exchange and toll or for separations of individual exchanges or special services, further analyses and studies may be required to adapt the procedures to such additionl separations.

(c) The fundamental basis on which separations are made is the use of telecommunications plant in each of the operations. The first step is the assignment of the cost of the plant to categories. The basis for making this assignment is the identification of the plant assignable to each category and the determination of the cost of the plant so identified. The second step is the apportionment of the cost of the plant in each category among the operations by direct assignment where possible, and all remaining costs are assigned by the application of appropriate use factors.

(d) In assigning book costs to categories, the costs used for certain plant classes are average unit costs which equate to all book costs of a particular account or subaccount; for other plant classes, the costs used are those which either directly approximate book cost levels or which are equated to match total book costs at a given location.

(e) The procedures outlined herein reflect "short-cuts" where practicable and where their application produces substantially the same separations results as would be obtained by the use of more detailed procedures, and they assume the use of records generally maintained by Telecommunications Companies.

(f) The classification to accounts of telecommunications property, revenues, expenses, etc., set forth in this manual is that prescribed by the Federal Communications Commission's Uniform System of Accounts for Telecommunications Companies.

(g) In the assignment of property costs to categories and in the apportionment of such costs among the operations, each amount so assigned and apportioned is identified as to the account classification in which the property is included. Thus, the separated results are identified by property accounts and apportionment bases are provided for those expenses which are separated on the basis of the apportionment of property costs. Similarly, amounts of revenues and expenses assigned each of the operations are identified as to account classification.

(h) The separations procedures described in this part are not to be interpreted as indicating what property, revenues, expenses and taxes, or what items carried in the income, reserve and retained earnings accounts, should or should not be considered in any investigation or rate proceeding.

§ 36.2 Fundamental principles underlying procedures.

(a) The following general principles underlie the procedures outlined in this part:

(1) Separations are intended to apportion costs among categories or jurisdictions by actual use or by direct assignment.

(2) Separations are made on the "actual use" basis, which gives consideration to relative occupancy and relative time measurements.

(3) In the development of "actual use" measurements, measurements of use are (i) determined for telecommunications plant or for work performed by operating forces on a unit basis (e.g., conversation-minute-mile per message, weighted standard work seconds per call) in studies of traffic handled or work performed during a representative period for all traffic and (ii) applied to overall traffic vol-

umes, i.e., 24-hour rather than busy-hour volumes.

(b) Underlying the procedures included in this manual for the separation of plant costs is an over-all concept which may be described as follows:

(1) Telecommunications plant, in general, is segregable into two broad classifications, namely, (i) interexchange plant, which is plant used primarily to furnish toll services, and (ii) exchange plant, which is plant used primarily to furnish local services.

(2) Within the interexchange classification, there are three broad types of plant, i.e., operator systems, switching plant, and trunk transmission equipment. Within the exchange classification there are four board types of plant, i.e., operator systems, switching plant, truck equipment and subscriber plant. Subscriber plant comprises lines to the subscriber.

(3) In general, the basis for apportioning telecommunications plant used jointly for state and interstate operations are:

(i) Operator work time expressed in weighted standard work seconds is the basis for measuring the use of operator systems.

(ii) Holding-time-minutes is the basis for measuring the use of toll switching plant.

(iii) Conversation-minute-miles or conversation-minutes is the basis for measuring the use of interexchange circuit plant and holding-time minutes is the basis for measuring the use of exchange trunk plant. While the use of holding-time-minute-miles is the basic fundamental allocation factor for interexchange circuit plant and exchange trunk plant, the use of conversation-minute-miles or conversation-minutes for the allocation of interexchange circuit plant and holding-time minutes for the allocation of exchange trunk plant are considered practical approximations for separations between state and interstate operations when related to the broad types of plant classifications used herein.

(iv) A subscriber plant factor is the basis of apportioning the cost of message telecommunications subscriber plant and local switching plant between State and interstate operations. The subscriber plant factor is developed and used according to the procedures set forth in § 36.154(c) through § 36.154(f).

(c) Property rented to affiliates, if not substantial in amount, is included as used property of the owning company with the associated revenues and expenses treated consistently: Also such property rented from affiliates is not included with the used property of the company making the separations; the rent paid is included in its expenses. If substantial in amount, the following treatment is applied:

(1) In the case of property rented to affiliates, the property and related expenses and rent revenues are excluded from the telephone operations of the owning company, and

(2) In the case of property rented from affiliates, the property and related expenses are included with, and the rent expenses are excluded from, the telephone operations of the company making the separation.

(d) Property rented to or from non-affiliates is usually to be included as used property of the owning company with the associated revenues and expenses treated consistently. In the event the amount is substantial, the property involved and the revenues and expenses associated therewith may be excluded from or included in the telecommunications operations of the company. When required, the cost of property rented to or from non-affiliates is determined using procedures that are consistent with the procedures for the allocation of costs among the operations.

(e) Costs associated with services or plant billed to another company which have once been separated under procedures consistent with general principles set forth in this part, and are thus identifiable as entirely interstate or State in nature, shall be directly assigned to the appropriate operation and jurisdiction.

Subpart B—Telecommunications Property

GENERAL

§ 36.101 Section arrangement.

(a) This subpart is arranged in sections as follows:

General:

Telecommunications Plant in Service—Account 2001.	36.101 and 36.102.
General Support Facilities—Account 2110.	36.111 and 36.112.
Central Office Equipment—Accounts 2210, 2220, 2230.	36.121 thru 36.126.
Information Origination/Termination Equipment—Account 2310.	36.141 and 36.142.
Cable and Wire Facilities—Account 2410.	36.151 thru 36.157.
Amortizable Assets—Accounts 2680 and 2690.	36.161 and 36.162.
Telecommunications Plant—Other Accounts 2002 thru 2005.	36.171.
Rural Telephone Bank Stock.	36.172.
Material and Supplies—Account 1220, and Cash Working Capital.	36.181 and 36.182.
Equal Access Equipment.	36.191.

[52 FR 17229, May 6, 1987, as amended at 53 FR 33012, Aug. 29, 1988]

§ 36.102 General.

(a) This section contains an outline of the procedures used in the assignment of Telecommunications Plant in Service—Account 2001 to categories and the apportionment of the cost assigned to each category among the operations.

(b) The treatment of rental plant is outlined in § 36.2(c) through § 36.2(e). If the amount of such plant is substantial, the cost may be determined by using the general procedures set forth for the assignment of the various kinds of property to categories.

(c) The amount of depreciation deductible from the book cost or "value" is apportioned among the operations in proportion to the separation of the cost of the related plant accounts.

GENERAL SUPPORT FACILITIES

§ 36.111 General.

(a) The costs of the general support facilities are contained in Account 2110, Land and Support Assets. This account contains land, buildings, motor vehicles, aircraft, special purpose vehicles, garage work equipment, other work equipment, furniture, office equipment and general purpose computers.

§ 36.112 Apportionment procedure.

(a) The costs of the general support facilities of Class A Companies (which are defined in Part 32 of the Commission's Rules) are apportioned among the operations on the basis of the separation of the costs of the combined Big Three Expenses which include the following accounts:

PLANT SPECIFIC EXPENSES

6210	Central Office Switching Expenses
6220	Operators Systems Expenses
6230	Central Office Transmission Expenses
6310	Information Origination/Termination Expenses
6410	Cable and Wire Facilities Expenses

PLANT NON-SPECIFIC EXPENSES

6530	Network Operations Expenses

CUSTOMER OPERATIONS EXPENSES

6610	Marketing
6620	Services

(b) The costs of the general support facilities for Class B Companies (which are defined by Part 32 of the Commission's Rules) are apportioned among the operations on the basis of the separation of the costs of Central Office Equipment, Information Origination/Termination Equipment, and Cable and Wire Facilities, combined.

[52 FR 17229, May 6, 1987, as amended at 53 FR [illegible], Aug. 29, 1988]

CENTRAL OFFICE EQUIPMENT

§ 36.121 General.

(a) The costs of central office equipment are carried in the following accounts:

Central Office Switching....	Account 2210
Analog Electronic Switching.	Account 2211
Digital Electronic Switching.	Account 2212
Electro-Mechanical Switching.	Account 2215
Operator Systems..................	Account 2220
Central Office—Transmission.	Account 2230
Radio Systems..................	Account 2231
Circuit Equipment............	Account 2232

(b) Records of the cost of central office equipment are usually maintained for each study area separately by accounts. However, each account frequently includes equipment having more than one use. Also, equipment in one account frequently is associated closely with equipment in the same building in another account. Therefore, the separations procedures for central office equipment have been designed to deal with categories of plant rather than with equipment in an account.

(c) In the separation of the cost of central office equipment among the operations, the first step is the assignment of the equipment in each study area to categories. The basic method of making this assignment is the identification of the equipment assignable to each category, and the determination of the cost of the identified equipment by analysis of accounting, engineering and other records.

(1) The cost of common equipment not assigned to a specific category, e.g., common power equipment, including emergency power equipment, aisle lighting and framework, including distributing frames, is distributed among the categories in proportion to the cost of equipment, (excluding power equipment not dependent upon common power equipment) directly assigned to categories.

(i) The cost of power equipment used by one category is assigned directly to that category, e.g., 130 volt power supply provided for circuit equipment. The cost of emergency power equipment protecting only power equipment used by one category is also assigned directly to that category.

(ii) Where appropriate, a weighting factor is applied to the cost of circuit equipment in distributing the power plant costs not directly assigned, in order to reflect the generally greater power use per dollar of cost of this equipment.

(d) The second step is the apportionment of the cost of the equipment in each category among the operations through the application of appropriate use factors or by direct assignment.

§ 36.122 Categories and apportionment procedures.

(a) The following categories of central office equipment and apportionment procedures therefore are set forth in §§ 36.123 through 36.126.

Operator Systems Equipment.	Category 1.
Tandem Switching Equipment.	Category 2.
Local Switching Equipment.	Category 3.
Circuit Equipment...............	Category 4.

§ 36.123 Operator systems equipment—Category 1.

(a) Operator systems equipment is contained in Account 2220. It includes all types of manual telephone switchboards except tandem switchboards and those used solely for recording of calling telephone numbers in connection with customer dialed charge traffic. It includes all face equipment, terminating relay circuits of trunk and toll line circuits, cord circuits, cable turning sections, subscriber line equipment, associated toll connecting trunk equipment, number checking facilities, ticket distributing systems, calculagraphs, chief operator and other desks, operator chairs, and other such equipment.

(1) Operator systems equipment is generally classified according to oper-

ating arrangements of which the following are typical:

(i) Separate toll boards
(ii) Separate local manual boards
(iii) Combined local manual and toll boards
(iv) Combined toll and DSA boards
(v) Separate DSA and DSB boards
(vi) Service observing boards
(vii) Auxiliary service boards
(viii) Traffic service positions

(2) If switchboards as set forth in § 36.123(a) are of the key pulsing type, the cost of the key pulsing senders, link and trunk finder equipment is included with the switchboards.

(3) DSB boards include the associated DSB dial equipment, such as link and sender equipment.

(4) Traffic service position systems include the common control and trunk equipment in addition to the associated groups of positions wherever located.

(b) The cost of the following operator systems equipment is apportioned among the operations on the basis of the relative number of weighted standard work seconds handled at the switchboards under consideration.

(1) The following types of switchboards at toll centers are generally apportioned individually:

(i) *Separate toll boards.* These usually include outward, through and inward positions in separate lines and associated inward toll switchboard positions in line.

(ii) Switchboards handling both local and toll, either combined or having segregated local and toll positions in the same line.

(iii) Switchboards handling both toll and DSA, either combined or having segregated toll and DSA positions in the same line.

(iv) Traffic service positions, including separately located groups of these positions when associated with a common basic control unit.

(2) The following types of switchboards at toll centers are apportioned individually, or by groups of comparable types of boards for each exchange:

(i) *Separate local manual boards.* This includes the local positions of manual boards where inward toll positions are in the same line.

(ii) Separate DSA boards.

(iii) Separate DSB boards.

(3) Tributary boards may be treated individually if warranted or they may be treated on a group basis.

(c) Auxiliary service boards generally handle rate and route, information, and intercept service at individual or joint positions. The cost of these boards is apportioned as follows:

(1) The cost of separate directory assistance boards is apportioned among the operations on the basis of the relative number of weighted standard work seconds handled at the boards under consideration. Directory assistance weighted standard work seconds are apportioned among the operations on the basis of the classification of these weighted standard work seconds as follows:

(i) Directory assistance weighted standard work seconds first are classified between calls received over toll directory assistance trunks from operators or customers and all other directory assistance calls.

(ii) The directory assistance weighted standard work seconds of each type further are classified separately among the operations on the basis of an analysis of a representative sample of directory assistance calls of each type with reference to the locations of the calling and called stations for each call.

(2) The cost of separate intercept boards and automated intercept systems in the study area is appportioned among the operations on the basis of the relative number of subscriber line minutes of use.

(3) The cost of separate rate and route boards is generally included with the cost of the toll boards served and is apportioned with those boards.

(4) Where more than one auxiliary service is handled at an auxiliary board, the cost of the board is apportioned among the auxiliary services on the basis of the relative number of weighted standard work seconds for each service. The cost of that part of the board allocated to each auxiliary service is apportioned among the operations in the same manner as for a separate auxiliary board.

(d) The cost of joint exchange and toll service observing boards is first apportioned between exchange and toll use on the basis of the relative number of exchange and toll service observing units at these boards. The cost of separate toll service observing boards and the toll portion of joint service observing boards is apportioned between state and interstate operations on the basis of the relative number of toll minutes of use associated with the toll messages originating in the offices observed.

(e) Traffic Service Position System (TSPS) investments are apportioned as follows:

(1) Operator position investments are apportioned on the basis of the relative weighted standard work seconds for the entire TSPS complex.

(2) Remote trunk arrangement (RTA) investments are apportioned on the basis of the relative processor real time (i.e., actual seconds) required to process TSPS traffic originating from the end offices served by each RTA.

(3) The remaining investments at the central control location, such as the stored program control and memory, is apportioned on the basis of the relative processor real time (i.e., actual seconds) for the entire TSPS complex.

§ 36.124 Tandem switching equipment—Category 2.

(a) Tandem switching equipment is contained in Accounts 2210, 2211, 2212 and 2215. It includes all switching equipment in a tandem central office, including any associated tandem switchboard positions and any intertoll switching equipment. Intertoll switching equipment includes switching equipment used for the interconnection of message toll telephone circuits with each other or with local or tandem telephone central office trucks, intertoll dial selector equipment, or intertoll trunk equipment in No. 5 type electronic offices. Equipment, including switchboards used for recording of calling telephone numbers and other billing information in connection with customer dialed charge traffic is included with Local Switching Equipment—Category 3.

(1) At toll center toll offices, intertoll switching equipment comprises equipment in the toll office used in the itnerconnection of: Toll center to toll center circuits; toll center to tributary circuits; tributary to tributary circuits; toll center to tandem circuits or in the interconnection of the aforementioned types of circuits with trunks to local offices in the toll center city, i.e., interconnection with toll switching trunks, operator trunks, information trunks, testing trunks, etc. Equipment associated with the local office end of such trunks is included with local switching equipment or switchboard categories as appropriate.

(2) At tributary offices, this category includes intertoll switching equipment similar to that at toll center toll offices if it is used in the interconnection of: Tributary to tributary circuits; tributary to subtributary circuits; subtributary to subtributary circuits; toll center tc subtributary circuits; or if it is used jointly in the interconnection of any of the aforementioned types of circuits and in the interconnection of such toll circuits with trunk circuits for the handling of traffic terminating in the tributary office. Where comparable equipment has no joint use but is used only for the handling of traffic terminating in the tributary office, it is included in the local switching equipment category.

(3) At all switching entities, this category includes intertoll switching equipment similar to that at toll center toll offices if it is used in the interconnection of switched private line trunks or TWX switching plant trunks when these functions are in addition to the message telephone switching function. Switching entities wholly dedicated to switching of special services are assigned to Category 3—Local Switching Equipment.

(b) The costs of central office equipment items assigned this category are to be directly assigned when possible. When direct assignment is not possible the costs shall be apportioned among the operations on the basis of the relative number of study area minutes of use of this equipment.

§ 36.125 Local switching equipment—Category 3.

(a) Local switching equipment is included in accounts 2210, 2211, 2212 and 2215. It comprises all central office switching equipment not assigned other categories. Examples of local switching equipment are basic switching train, toll connecting trunk equipment, interlocal trunks, tandem trunks, terminating senders used for toll completion, toll completing train, call reverting equipment, weather and time of day service equipment, and switching equipment at electronic analog or digital remote line locations. Equipment used for the identification, recording and timing of customer dialed charge traffic, or switched private line traffic (e.g. transmitters, recorders, call identity indexers, perforators, ticketers, detectors, mastertimes) switchboards used solely for recording of calling telephone numbers in connection with customer dialed charge traffic, or switched private line traffic (or both) is included in this local switching category. Equipment provided and used primarily for operator dialed toll or customer dialed charge traffic except such equipment included in Category 2 Tandem Switching Equipment is also included in this local switching category. This includes such items as directors translators, sender registers, out trunk selectors and facilites for toll intercepting and digit absorption. Special services switching equipment which primarily performs the switching function for special services (e.g. switching equipment, TWX concentrators and switchboards) is also included in this local switching category.

(1) Local office, as used in § 36.125, comprises one or more local switching entities of the same equipment type (e.g., step-by-step, No. 5 Crossbar) in an individual location. A local switching entity comprises that local central office equipment of the same type which has a common intermediate distributing frame, market group or other separately identifiable switching unit serving one or more prefixes (NNX codes).

(2) A host/remote local switching complex is composed of an electronic analog or digital host office and all of its remote locations. A host/remote local switching complex is treated as one local office. The current jurisdictional definition of an exchange will apply.

(b) Beginning January 1, 1993, Category 3 investment for study areas with 50,000 or more access lines is apportioned on the basis of relative dial equipment minutes of use, (DEM) i.e., the minutes of holding time of the originating and terminating local switching equipment, as holding time is defined in the Glossary.

(c) During the 1988-1992 period, Category 3 investment for study areas with 50,000 or more access lines is apportioned by the application of an interstate allocation factor that is computed by adding the following two elements for the appropriate transition year (the A component times the composite allocator plus the B component times the DEM allocator). The A and B components are specified in § 36.125 (d) and (e). The composite allocator is computed by dividing the combined interstate investment included in former Central Office Equipment Categories 4, 5, 6 and 7 on December 31, 1987, by the combined total investment included in former Central Office Equipment Categories 4, 5, 6 and 7 on December 31, 1987. The DEM allocator is computed in the same manner as the interstate allocation factor described in Section 36.125 (b).

(d) The "A Component" for each of the five years is as follows:

Year	"A Component"
1988	.9
1989	.7
1990	.5
1991	.3
1992	.1

(e) The "B Component" for each of the five years is as follows:

Year	"B Component"
1988	.1
1989	.3
1990	.5
1991	.7
1992	.9

(f) For study areas with fewer than 50,000 access lines, Category 3 investment is apportioned by the application of an interstate allocation factor that is the lesser of either .85 or an amount that follows: Beginning January 1, 1993, the amount will equal the DEM factor specified in § 36.125 (b) multiplied by a weighting factor. During the 1988—1992 period, the amount will equal the sum of two elements for the appropriate transition year (the A component times the composite allocator plus the B component times the DEM allocator times a weighting factor). The A and B components are specified in § 36.125 (d) and (e). The applicable weighting factor is as follows:

No. of access lines in service in study area	Weighting factor
0-10,000	3.0
10,001-20,000	2.5
20,001-50,000	2.0
50,001-or above	1.0

(g) For purposes of this section, an access line is a line that does not include WATS access lines, special access lines or private lines.

[52 FR 17229, May 6, 1987, as amended at 53 FR 33011 and 33012, Aug. 29, 1988]

§ 36.126 Circuit equipment—Category 4.

(a) For the purpose of this section, the term "Circuit Equipment" encompasses the Radio Systems and Circuit Equipment contained in Accounts 2230 through 2232 respectively. It includes central office equipment, other than switching equipment and automatic message recording equipment, which is used to derive communications transmission channels or which is used for the amplification, modulation, regeneration, testing, balancing or control of signals transmitted over communications transmission channels. Examples of circuit equipment in general use include:

(1) Carrier telephone and telegraph system terminals.

(2) Telephone and telegraph repeaters, termination sets, impedance compensators, pulse link repeaters, echo suppressors and other intermediate transmission amplification and balancing equipment except that included in switchboards.

(3) Radio transmitters, receivers, repeaters and other radio central office equipment except message switching equipment associated with radio systems.

(4) Composite ringers, line signaling and switching pad circuits.

(5) Concentration equipment.

(6) Composite sets and repeating coils.

(7) Program transmission amplifiers, monitoring devices and volume indicators.

(8) Testboards, test desks, repair desks and patch bays, including those provided for test and control, and for telegraph and transmission testing.

(b) For apportionment among the operations, the cost of circuit equipment is assigned to the following subsidiary categories:

(1) *Exchange Circuit Equipment—Category 4.1.*

(i) Wideband Exchange Line Circuit Equipment—Category 4.11.

(ii) Exchange Trunk Circuit Equipment (Wideband and Non-Wideband)—Category 4.12.

(iii) Exchange Line Circuit Equipment Excluding Wideband—Category 4.13.

(2) *Interexchange Circuit Equipment—Category 4.2.*

(i) Interexchange Circuit Equipment Furnished to Anotheer Company for Interstate Use—Category 4.21.

(ii) Interexchange Circuit Equipment Used for Wideband Services including Satellite and Earth Station Equipment used for Wideband Service—Category 4.22.

(iii) All Other Interexchange Circuit Equipment—Category 4.23.

(3) *Host/Remote Message Circuit Equipment—Category 4.3.*

(4) In addition, for the purpose of identifying and separating property associated with special services, circuit equipment included in Categories 4.12 (other than wideband equipment) 4.13 and 4.23 is identified as either basic circuit equipment, i.e., equipment that performs functions necessary to provide and operate channels suitable for voice transmission (telephone grade channels), or special circuit equipment, i.e., equipment that is peculiar

to special service circuits. Carrier telephone terminals and carrier telephone repeaters are examples of basic circuit equipment is general use, while audio program transmission amplifiers, bridges, monitoring devices and volume indicators, telegraph carrier terminals and telegraph repeaters are examples of special circuit equipment in general use.

Cost of exchange circuit equipment included in Categories 4.12 and 4.13 and the interexchange circuit equipment in Categories 4.21, 4.22 and 4.23 are segregated between basic circuit equipment and special circuit equipment only at those locations where amounts of interexchange and exchange special circuit equipment are significant. Where such segregation is not made, the total costs in these categories are classified as basic circuit equipment.

(c) Apportionment of Exchange Circuit Equipment Among the Operations:

(1) Wideband Exchange Line Circuit Equipment—Category 4.11—The cost of exchange circuit equipment in this category is determined separately for each wideband facility. The respective costs are allocated to the appropriate operation in the same manner as the related exchange line cable and wire facilities described in § 36.155.

(2) Exchange Trunk Circuit Equipment (Wideband and Non-Wideband)—Category 4.12—The cost of exchange circuit equipment associated with this category for the study area is allocated to the appropriate operation in the same manner as the related exchange trunk cable and wire facilities as described in § 36.155.

(3) Exchange Line Circuit Equipment Excluding Wideband—Category 4.13—The cost of Circuit Equipment associated with exchange line plant excluding wideband for the study area is assigned to subcategories and is allocated to the appropriate operation in the same manner as the related exchange line cable and wire facilities for non-wideband service as described in § 36.154.

(d) Apportionment of Interexchange Circuit Equipment among the Operations: Procedures to be Used by Interexchange Carriers.

(1) Interexchange Circuit Equipment Furnished to Another Company for Interstate Use—Category 4.21—This category comprises that circuit equipment provided for the use of another company as an integral part of its interexchange circuit facilities used wholly for interstate services. This category includes such circuit equipment as telephone carrier, terminals telegraph carrier terminals, and microwave systems used wholly for interstate services. The total cost of the circuit equipment in this category for the study area is assigned to the interstate operation.

(2) Interexchange Circuit Equipment Used for Wideband Service—Category 4.22—This category includes the circuit equipment portion of interexchange channels used for wideband services. The cost of interexchange circuit equipment in this category is determined separately for each wideband channel and is segregated between message and private line services on the basis of the use of the channels provided. The respective costs are allocated to the appropriate operation in the same manner as the related interexchange cable and wire facilities as described in § 36.156.

(3) All Other Interexchange Circuit Equipment—Category 4.23—This category includes the cost of all interexchange circuit equipment not assigned to Categories 4.21 and 4.22. Interexchange carriers shall freeze the allocation factors for Category 4.23 investment at levels reached on December 31, 1985, derived by using the procedures in effect at that time. On January 1, 1988, and thereafter, that frozen allocation factor shall be applied to each interexchange carrier's Category 4.23 investment to derive the interstate allocation. On January 1, 1988, and thereafter, the amount of investment allocated to the interstate jurisdiction will vary but the relative proportion of the total investment that is allocated to the interstate jurisdiction will remain frozen at 1985 levels.

(e) Apportionment of Interexchange Circuit Equipment among the Operations: Procedures To Be Used by Exchange Carriers.

(1) Interexchange Circuit Equipment Furnished to Another Company

for Interstate Use—Category 4.21—This category comprises that circuit equipment provided for the use of another company as an integral part of its interexchange circuit facilities used wholly for interstate services. This category includes such circuit equipment as telephone carrier terminals telegraph carrier terminals, and microwave systems used wholly for interstate services. The total cost of the circuit equipment in this category for the study area is assigned to the interstate operation.

(2) Interexchange Circuit Equipment Used for Wideband Service—Category 4.22—This category includes the circuit equipment portion of interexchange channels used for wideband services. The cost of interexchange circuit equipment in this category is determined separately for each wideband channel and is segregated between message and private line services on the basis of the use of the channels provided. The respective costs are allocated to the appropriate operation in the same manner as the related interexchange cable and wire facilities described in § 36.156.

(3) All Other Interexchange Circuit Equipment—Category 4.23—This category includes the cost of all interexchange circuit equipment not assigned to Categories 4.21 and 4.22. The cost of interexchange basic circuit equipment used for the following classes of circuits is included in this category: Jointly used message circuits, i.e., message switching plant circuits carrying messages from the state and interstate operations; circuits used exclusively for TWX service; circuits uses for interstate private line service; and circuits used for state private line services.

(i) An average interexchange circuit equipment cost per equivalent interexchange telephone termination for all circuits is determined and applied to the equivalent interexchange telephone termination counts of each of the following classes of circuits: Interstate Private Line, State Private Line, Message, and TWX. The cost of interstate private line circuits is assigned directly to the interstate operation. The cost of state private line circuits is assigned directly to the state operation. The cost of message circuits is apportioned between the state and interstate operations on the basis of the relative number of study area conversation-minutes applicable to such facilities.

(ii) The cost on interexchange circuit equipment assigned TWX circuits is apportioned between state and interstate toll in accordance with § 36.126(e)(3)(i) and pursuant to the following procedures. The cost of circuit equipment associated with the TWX intertoll circuits used jointly for state and interstate operations is apportioned between the operations on the basis of the relative number of study area TWX connection-minutes applicable to such facilities. The cost of circuit equipment associated with the interexchange portion of the TWX remote access lines is apportioned between state and interstate operation on the basis of the relative number of study area TWX connection-minutes applicable to those facilities.

(iii) The cost of special circuit equipment is segregated among TWX service, telegraph grade private line services and other private line services based on an analysis of the use of the equipment and in accordance with § 36.126(b)(4). The cost of TWX special circuit equipment is apportioned on the same basis as that used for intertoll TWX circuits. The special circuit equipment cost assigned to telegraph grade and other private line services is directly assigned to the appropriate operation.

(f) Apportionment of Host/Remote Message Circuit Equipment Among the Operations.

(1) Host/Remote Message Circuit Equipment—Category 4.3. This category includes message host/remote location circuit equipment for which a message circuit switching function is performed at the host central office associated with cable and wire facilities as described in § 36.152(c).

(i) The category 4.3 cost of host/remote circuit equipment assigned to message services for the study area is apportioned among the exchange, intrastate toll, and interstate toll operations on the basis of the assignment of host/remote message cable and wire facilities as described in § 36.157.

[52 FR 17229, May 6, 1987, as amended at 53 FR 33012 Aug. 29, 1988]

INFORMATION ORIGINATION/ TERMINATION (IOT) EQUIPMENT

§ 36.141 General.

(a) Information Origination/Termination Equipment is maintained in Account 2310 and includes station apparatus, embedded customer premises wiring, large private branch exchanges, public telephone terminal equipment, and other terminal equipment.

(b) The costs in Account 2310 shall be segregated between Other Information Origination/Termination Equipment—Category 1, and New Customer Premises Equipment—Category 2 by an analysis of accounting, engineering and other records.

§ 36.142 Categories and apportionment procedures.

(a) *Other Information Origination/ Termination Equipment—Category 1.* This category includes the cost of other information origination/termination equipment not assigned to Category 2. The costs of other information origination/termination equipment are allocated pursuant to the factor that is used to allocate subcategory 1.3 Exchange Line C&WF. If amounts of coinless pay telephone equipment are substantial, the cost of such equipment, should be separately identified and allocated on the basis of relative toll minutes-of-use for interexchange carriers and minutes-of-use for exchange carriers.

(b) *Customer Premise Equipment—Category 2.* This category includes the cost of Customer Premises Equipment that was detariffed pursuant to the Second Computer Inquiry decision. It shall be assigned to the state operations.

CABLE AND WIRE FACILITIES

§ 36.151 General.

(a) Cable and Wire Facilities, Account 2410, includes the following types of communications plant in service: Poles and antenna supporting structures, aerial cable, underground cable, buried cable, submarine cable, deep sea cable, intrabuilding network cable, aerial wire and conduit systems.

(b) For separations purposes, it is necessary to analyze the cable and wire facilities classified in subordinate records in order to determine their assignment to the categories listed in the following paragraphs.

(c) In the separation of the cost of cable and wire facilities among the operations, the first step is the assignment of the facilities to certain categories. The basic method of making this assignment is the identification of the facilities assignable to each category and the determination of the cost of the facilities so identified. Because of variations among companies in the character of the facilities and operating conditions, and in the accounting and engineering records maintained, the detailed methods followed, of necessity, will vary among the companies. The general principles to be followed, however, will be the same for all companies.

(d) The second step is the apportionment of the cost of the facilities in each category among the operations through the application of appropriate factors or by direct assignment.

§ 36.152 Categories of Cable and Wire Facilities (C&WF).

(a) C&WF are basically divided between exchange and interexchange. Exchange C&WF consists of the following categories:

(1) Exchange Line C&WF *Excluding Wideband*—Category 1—This category includes C&W facilities between local central offices and subscriber premises used for message telephone, TWX subscriber lines, private line, local channels, and for circuits between control terminals and radio stations providing very high frequency maritime service or urban or highway mobile service.

(2) *Wideband and* Exchange Trunk C&WF—Category 2—This category includes all wideband, including Exchange Line Wideband and C&WF between local central offices and Wideband facilities. It also includes C&WF between central offices or other switching points used by any common

carrier for interlocal trunks wholly within an exchange or metropolitan service area, interlocal trunks with one or both terminals outside a metropolitan service area carrying some exchange traffic, toll connecting trunks, tandem trunks principally carrying exchange traffic, the exchange trunk portion of TWX and WATS access lines the exchange trunk portion of private line local channels, and the exchange trunk portion of circuits between control terminals and radio stations providing very high frequency maritime service or urban or highway mobile service.

(3) The procedures for apportioning the cost of exchange cable and wire facilites among the operations are set forth in §§ 36.154 and 36.155.

(b) Interexchange C&WF—Category 3—This category includes the C&WF used for message toll and toll private line services. It includes cable and wire facilities carrying intertoll circuits, tributary circuits, the interexchange channel portion of special service circuits, circuits between control terminals and radio stations used for overseas or coastal harbor service, interlocal trunks between offices in the different exchange or metropolitan service areas carrying only message toll traffic and certain tandem trunks which carry principally message toll traffic.

(1) The procedures for apportioning the cost of interexchange cable and wire facilities among the operations are set forth in § 36.156.

(c) Host/Remote Message C&WF—Category 4—This category includes the cost of message host/remote location C&WF for which a message circuit switching function is performed at the host central office. It applies to C&WF between host offices and all remote locations. The procedures for apportioning the cost of these facilities among the operations are set forth in § 36.157.

§ 36.153 Assignment of Cable and Wire Facilities (C&WF) to categories.

(a) Cable consists of: Aerial cable, underground cable, buried cable, submarine cable, deep sea cable and intrabuilding network cable. Where an entire cable or aerial wire is assignable to one category, its cost and quantity are, where practicable, directly assigned.

(1) *Cable.* (i) There are two basic methods for assigning the cost of cable to the various categories. Both of them are on the basis of conductor cross section. The methods are as follows:

(A) By section of cable, uniform as to makeup and relative use by categories. From an analysis of cable engineering and assignment records, determine in terms of equivalent gauge the number of pairs in use or reserved, for each category. The corresponding percentages of use, or reservation, are applied to the cost of the section of cable, i.e., sheath feet times unit cost per foot, to obtain the cost assignable to each category

(B) By using equivalent pair miles, i.e., pair miles expressed in terms of equivalent gauge. From an analysis of cable engineering and assignment records, determine the equivalent pair miles in use for each category by types of facility, e.g., quadded, paired. The equivalent pair miles are then divided by a cable fill factor to obtain the equivalent pair miles in plant. The total equivalent pair miles in plant assigned to each category in summarized by types of facility, e.g., quadded and paired, and priced at appropriate average unit costs per equivalent pair mile in plant. If desired, this study may be made in terms of circuit miles rather than physical pair miles, with average cost and fill data consistent with the basis of the facilities mileage count.

(ii) In the assignment of the cost of cable under the two basic methods described in § 36.153(a)(1)(i) consideration is given to the following:

(A) Method (A) described in § 36.153(a)(1)(i)(A) will probably be found more desirable where there is a relatively small amount of cable of variable make-up and use by categories. Conversely, method (B) described in § 36.153(a)(1)(i)(B) will probably be more desirable where there is a large amount of cable of variable make-up and use by categories. However, in some cases a combination of both methods may be desirable.

(B) It will be desirable in some cases to determine the amount assignable to a particular category by deducting from the total the sum of the amounts assigned to all other categories.

(C) For use in the assignment of poles to categories, the equivalent sheath miles of aerial cable assigned to each category are determined. For convenience, these quantities are determined in connection with the assignment of cable costs.

(D) Where an entire cable is assignable to one category, its costs and quantity are, where practicable, directly assigned.

(iii) For cables especially arranged for high-frequency transmission such as shielded, disc-insulated and coaxial, recognition is given to the additional costs which are charged to the high-frequency complement.

(2) *Cable Loading.* (i) Methods for assigning the cost of loading coils, cases, etc., to categories are comparable with those used in assigning the associated cable to categories. Loading associated with cable which is directly assigned to a given category is also directly assigned. The remaining loading is assigned to categories in either of the following bases:

(A) By an analysis of the use made of the loading facilities where a loading coil case includes coils assignable to more than one category, e.g., in the case of a single gauge uniformly loaded section, the percentage used in the related cable assignment are applicable, or

(B) By pricing out each category by determining the pair feet loaded pairs assigned to each category and multiplying by the unit cost per pair foot of loading by type.

(3) *Other Cable Plant.* (i) In view of the small amounts involved, the cost of all protected terminals and gas pressure contactor terminals in the toll cable subaccounts is assigned to the appropriate Interexchange Cable & Wire Facilities categories. The cost of all other terminals in the exchange and toll cable subaccounts is assigned to Exchange Cable and Wire Facilities.

(b) *Aerial Wire.* (1) The cost of wire accounted for as exchange is assigned to the appropriate Exchange Cable & Wire Facilities categories. The cost of wire accounted for as toll, which is used for exchange, is also assigned to the appropriate Exchange Cable & Wire Facilities categories. The cost of the remaining wire accounted for as toll is assigned to the appropriate Interexchange Cable & Wire Facilities categories as described in § 36.156. For companies not maintaining exchange and toll subaccounts, it is necessary to review the plant records and identify wire plant by use. The cost of wire used for providing circuits directly assignable to a category is assigned to that category. The cost of wire used for providing circuit facilities jointly used for exchange and interchange lines is assigned to categories on the basis of the relative number of circuit miles involved.

(c) *Poles and Antenna Supporting Structures.* (1) In the assignment of these costs, anchors, guys, crossarms, antenna supporting structure, and right-of-way are included with the poles.

(2) Poles. (i) The cost of poles is assigned to categories based on the ratio of the cost of poles to the total cost of aerial wire and aerial cable.

(d) *Conduit Systems.* (1) The cost of conduit systems is assigned to categories on the basis of the assignment of the cost of underground cable.

[53 FR 17229, May 6, 1987, as amended at 53 FR 33012, Aug. 29, 1988]

§ 36.154 Exchange line Cable and Wire Facilities (C&WF)—Category 1—apportionment procedures.

(a) *Exchange Line C&WF—Category 1.* The first step in apportioning the cost of exchange line cable and wire facilities among the operations is the determination of an average cost per working loop. This average cost per working loop is determined by dividing the total cost of exchange line cable and wire Category 1 in the study area by the sum of the working loops described in subcategories listed below. The subcategories are:

Subcategory 1.1—State private lines and state WATS lines. This subcategory shall include all private lines and WATS lines carring exclusively state traffic as well as private lines and WATS lines carrying exclusively interstate traffic as well as private lines and WATS lines carrying both state and interstate traffic if the interstate traffic on the line involved constitutes ten percent or less of the total traffic on the line.

Subcategory 1.2—Interstate private lines and interstate WATS lines. This subcategory shall include all private lines and WATS lines that carry exclusively interstate traffic as well as private lines and WATS lines carrying both state and interstate traffic if the interstate traffic on the line involved constitutes more than ten percent of the total traffic on the line.

Subcategory 1.3—Subscriber or common lines that are jointly used for local exchange service and exchange access for state and interestate interexchange services.

(b) The costs assigned to subcategories 1.1 and 1.2 shall be directly assigned to the appropriate jurisdication.

(c) Except as provided in § 36.154(d) through (f), effective January 1, 1986, 25 percent of the costs assigned to subcategory 1.3 shall be allocated to the interstate jurisdiction.

(d) Except as provided in § 36.154(f), the interstate allocation of subcategory 1.3 costs for the years 1988, 1989, 1990, 1991 and 1992 will be as follows:

(1) 1988—The § 36.154(e) allocation factor multiplied by .625 plus .09375.

(2) 1989—The § 36.154(e) allocation factor multiplied by .5 plus .125.

(3) 1990—The § 36.154(e) allocation factor multiplied by .375 plus .15625.

(4) 1991—The § 36.154(e) allocation factor multiplied by .25 plus .1875.

(5) 1992—The § 36.154(e) allocation factor multiplied by .125 plus .21875.

(e) For purposes of the transitional allocations described in § 36.154(d) and (f) an allocation factor known as the subscriber plant factor or SPF that is the sum of the following shall be computed:

(1) Annual average interestate subscriber line use (SLU), for the calendar year 1981.[2] representing the interstate use of the subscriber plant as measured by the ratio of interstate holding time minutes of use to total holding time minutes of use applicable to traffic originating and terminating in the study area, multiplied by .85, the nationwide ratio of subscriber plant costs assignable to the exchange operation per minute of exchange use to total subscriber plant cost per total minute of use of subscriber plant, plus

(2) Twice the annual average interstate subscriber line use ratio for the study area for the calendar year 1981, multiplied by the annual average composite station rate ratio used for the calendar year 1981 (ratio of the nationwide, industry-wide average interstate initial 3-minute station charge at the study area average interstate length of haul to the nationwide, industry-wide average total toll initial 3-minute station charge at the nationwide average length of haul for all toll traffic for the total telephone industry).

(f) *Limit on Change in Interstate Allocation.* (1) No study area's percentage interstate allocation for Subcategory 1.3 Exchange Line C&WF and COE, Exchange Line Circuit Equipment Excluding Wideband—Category 4.13 investment as well as associated maintenance and depreciation shall decrease by a total of more than five percentage points from one calendar year to the next as a result of the combined operations of §§ 36.154(d) and 36.641(a) and (b).

(2) The determination of whether the decrease in the interstate allocation for a given study area resulting from the operation of §§ 36.154(d) and 36.641(a) through § 36.641(b) exceeds five percentage points shall be made by calculating a percentage interstate allocation for both of the years involved. This shall be done by dividing the interstate allocation of subcategory 1.3 Exchange Line C&WF and COE exchange Line circuit Equipment Excluding Wideband Category 4.13 and associated expenses for each year as calculated pursuant to § 36.154(f)(4) by the total unseparated investment in

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[2] In the case of a company that cannot calculate the average interstate subscriber line usage (SLU) ratio for the calendar year 1981, the average interstate SLU for the customarily used 12-month study period ending in 1981 may be utilized. In the case of a company for which no such 1981 annual average SLU exists, the annual average interstate SLU for the initial study period will be utilized.

Exchange Line C&WF subcategory 1.3 and COE Category 4.13 and associated expenses for the corresponding year as calculated pursuant to § 36.154(f)(5).

(3) If the resulting percentage for the more recent of the two years is more than five percentage points less than the percentage for the earlier year, the decrease in the interstate allocations shall be reduced pro rata for plant investment, maintenance and depreciation so that the difference between the two percentages does not equal more than five percentage points.

(4) The sum of the following:

(i) The net interstate allocation of Exchange Line C&WF—subcategory 1.3 investment calculated pursuant to §36.154(d) and (e) multiplied by the authorized interstate rate of return.

(ii) The net interstate allocation of COE Exchange Line Circuit Equipment—Category 4.13 investment calculated purusant to § 36.154(d) and (e) multiplied by the authorized interstate rate of return.

(iii) The interstate allocation of maintenance and depreciation attributable to Exchange Line C&WF subcategory 1.3 customer premises wire and COE Exhange Line Circuit Equipment—Category 4.13 calculated pursuant to § 36.154(d) and (e).

(iv) The amount of the additional interstate expense allocation calculated pursuant to § 36.641.

(5) The sum of the following:

(i) The net unseparated Exchange Line C&WF subcategory 1.3 investment multiplied by the authorized interstate rate of return.

(ii) The net unseparated COE Exchange Line Circuit—Category 4.13 investment multiplied by the authorized interstate rate of return.

(iii) The unseparated maintenance and depreciation attributable to Exchange Line C&WF subcategory 1.3 investment, customer premises wiring investment and COE Exhange Line Circuit Equipment—Category 4.13 investment.

[52 FR 17229, May 6, 1987, as amended at 53 FR 33012, Aug. 29, 1988; 54 FR 31033, July 26, 1989]

§ 36.155 Wideband and exchange trunk C&WF—Category 2—apportionment procedures.

(a) The cost of C&WF applicable to this category shall be directly assigned where feasible. If direct assignment is not feasible, cost shall be apportioned between the state and interstate jurisdictions on the basis of the relative number of minutes of use.

§ 36.156 Interexchange Cable and Wire Facilities (C&WF)—Category 3—apportionment procedures.

(a) An average interexchange cable and wire facilities cost per equivalent interexchange telephone circuit mile for all circuits in Category 3 is determined and applied to the equivalent interexchange telephone circuit mileage counts of each of the classes of circuits.

(b) The cost of C&WF applicable to this category shall be directly assigned where feasible. If direct assignment is not feasible, cost shall be apportioned between the state and interstate jurisdiction on the basis of conversation-minute miles as applied to toll message circuits, TWX circuits, etc.

§ 36.157 Host/remote message Cable and Wire Facilities (C&WF)—Category 4—apportionment procedures.

(a) *Host/Remote Message C&WF—Category 4.* The cost of host/remote C&WF used for message circuits, i.e., circuits carrying only message traffic, is included in this category.

(1) The cost of host/remote message C&WF excluding WATS closed end access lines for the study area is apportioned on the basis of the relative number of study area minutes-of-use miles applicable to such facilities.

(2) The cost of host/remote message C&WF used for WATS closed end access for the study area is directly assigned to the appropriate jurisdiction.

AMORTIZABLE ASSETS

§ 36.161 Tangible assets—Account 2680.

(a) Tangible Assets, Account 2680 includes the costs of property acquired under capital leases and the original cost of leasehold improvements.

(b) The costs of capital leases are apportioned among the operations based on similar plant owned or by analysis.

(c) The cost of leasehold improvements are apportioned among the operations in direct proportion to the costs of the related primary account.

§ 36.162 Intangible assets—Account 2690.

(a) Intangible Assets, Account 2690 includes the costs of organizing and incorporating the company, franchises, patent rights, and other intangible property having a life of more than one year.

(b) The amount included in this account is apportioned among the operations on the basis of the separation of the cost of Telecommunications Plant In Service, Account 2001, excluding the Intangible Assets, Account 2690.

TELECOMMUNICATIONS PLANT—OTHER

§ 36.171 Property held for future telecommunications use—Account 2002; Telecommunications plant under construction—Short term—Account 2003; telecommunications plant under construction—Long term—Account 2004; and telecommunications plant adjustment—Account 2005.

(a) The amounts carried in Accounts 2002, 2003, 2004 and 2005 are apportioned among the operations on the basis of the apportionment of Account 2001 Telecommunications Plant In Service.

RURAL TELEPHONE BANK STOCK

§ 36.172 Investment in nonaffiliated companies—Account 1402.

(a) The amounts carried in this account shall be separated into subsidiary record categories:

(1) Class B RTB Stock and

(2) All other.

(b) The amounts contained in category (2) all other of § 36.172(a)(2), shall be excluded from Part 36 jurisdictional separations.

(c) The amounts contained in category (1) Class B RTB stock of § 36.172(a)(1), shall be allocated based on the relative separations of Account 2001, Telephone Plant in Service.

[52 FR 17229, May 6, 1987, as amended at 53 FR 33012, Aug. 29, 1988]

MATERIAL AND SUPPLIES AND CASH WORKING CAPITAL

§ 36.181 Material and supplies—Account 1220.

(a) The amount included in Account 1220 is apportioned among the operations on the basis of the apportionment of the cost of cable and wire facilities in service. Any amounts included in Account 1220 associated with the Customer Premises portion of Account 2310 equipment, shall be excluded from the amounts which are allocated to the interstate operation.

§ 36.182 Cash working capital.

(a) The amount for cash working capital, if not determined directly for a particular operation, is apportioned among the operations on the basis of total expenses less non-cash expense items.

EQUAL ACCESS EQUIPMENT

§ 36.191 Equal access equipment.

(a) Equal access investment includes only initial incremental expenditures for hardware and other equipment related directly to the provision of equal access which would not be required to upgrade the capabilities of the office involved absent the provision of equal access. Equal access investment is limited to such expenditures for converting central offices which serve competitive interexchange carriers or where there has been a bona fide request for conversion to equal access.

(b) Equal access investment is first segregated from all other amounts in the primary accounts.

(c) The equal access investment determined in this manner is allocated between the jurisdictions on the basis of relative state and interstate equal access traffic including interstate interLATA equal access traffic, intrastate interLATA equal access traffic, and BOC interstate corridor toll traffic as well as AT&T and OCC intraLATA equal access usage. Local exchange traffic and BOC intraLATA toll traffic is excluded. In the case of independent telephone companies, intrastate toll service provided by the independent local exchange company is excluded in determining intrastate usage, but intrastate toll service provided by long distance carriers affiliated with the local exchange company is included.

[52 FR 17229, May 6, 1987, as amended at 53 FR 33012, Aug. 29, 1988.]

Subpart C—Operating Revenues and Certain Income Accounts

GENERAL

§ 36.201 Section arrangement.

(a) This subpart is arranged in sections as follows:

General	36.202
Operating Revenues:	36.211.
Basic Local Service Revenue—Account 5000.	36.212.
Network Access Services Revenues—Accounts 5080 thru 5084.	36.213.
Long Distance Message Revenue—Account 5100.	36.214.
Miscellanous Revenue—Account 5200.	36.215.
Uncollectible Revenue—Account 5300.	36.216.
Certain Income Accounts:	
Other Operating Income and Expenses—Account 7100.	36.221.
Nonoperating Income and Expenses—Account 7300.	36.222.
Interest and Related Items—Account 7500.	36.223.
Extraordinary Items—Account 7600.	36.224.
Income Effect of Jurisdictional Ratemaking Differences—Accounts 7910.	36.225.

[52 FR 17299, May 6, 1987, as amended at 53 FR 33012, Aug. 29, 1988]

§ 36.202 General.

(a) This section sets forth procedures for the apportionment among the operations of operating revenues and certain income and expense accounts.

(b) Except for the Network Access Services Revenues, subsidiary record categories are maintained for all revenue accounts in accordance with the requirements of Part 32. These subsidiary records identify services for the appropriate jurisdiction and will be used in conjunction with apportionment procedures stated in this manual.

OPERATING REVENUES

§ 36.211 General.

(a) Operating revenues are included in the following accounts:

Account Title	Account No
Basic Local Service Revenue	5000
Network Access Service Revenues:	
Network Access Revenue	5080
End User Revenue	5081
Switched Access Revenue	5082
Special Access Revenue	5083
State Access Revenue	5084
Long Distance Massage Revenue	5100
Miscellaneous Revenue	5200
Uncollectible Revenue	5300

§ 36.212 Basic local services revenue—Account 5000.

(a) Local private line revenues from broadcast program transmission audio services and broadcast program transmission video services are assigned to the interstate operation.

(b) Revenues that are attributable to the origination or termination of interstate FX or CCSA like services shall be assigned to the interstate jurisdiction.

(c) Wideband Message Service and TWX revenues from monthly and miscellaneous charges, service connections, move and change charges, are apportioned between state and interstate operations on the basis of the relative number of TWX minutes-of-use in the study area.

(d) All other revenues in this account are assigned to the exchange operation based on their subsidiary record categories or on the basis of analysis and studies.

§ 36.213 Network access services revenues.

(a) *Network Access Revenue—Account 5080.* (1) This account shall be used by Class A and Class B telecommunications companies to summarize the contents of accounts 5081 through 5084.

(b) *End User Revenue—Account 5081.* (1) Revenues in this account are assigned to the interstate operation.

(c) *Switched Access Revenue—Account 5082.* (1) Revenues in this account are assigned to the interstate operation.

(d) *Special Access Revenue—Account 5083.* (1) Revenues in this account are assigned to the interstate operation.

(e) *State Access Revenue—Account 5084.* (1) Revenues in this account are assigned to the state operation.

§ 36.214 Long distance message revenue—Account 5100.

(a) Wideband message service and TWX revenues from monthly and miscellaneous charges, service connections, move and change charges, are apportioned between state and interstate operations on the basis of the relative number of minutes-of-use in the study area.

(b) Long Distance private line service revenues from broadcast program transmission audio services and broadcast program transmission video services are assigned to the interstate operation.

(c) All other revenues in this account are directly assigned based on their subsidiary record categories or on the basis of analysis and studies.

§ 36.215 Miscellaneous revenue—Account 5200.

(a) Directory revenues are assigned to the exchange operation.

(b) Billing and collection revenues are assigned on the basis of services being provided.

(c) All other revenues are apportioned on the basis of analysis.

§ 36.216 Uncollectible revenue—Account 5300.

(a) The amounts in this account are apportioned among the operations on the basis of analysis of Account 1181-Accounts Receivable Allowance—Telecommunication, during a representative period.

[52 FR 17229, May 6, 1987, as amended at 53 FR 33012, Aug. 29, 1988]

CERTAIN INCOME ACCOUNTS

§ 36.221 Other operating income and expenses—Account 7100.

(a) Amounts relating to translation in foreign exchange differentials are assigned to the interstate operations.

(b) All other amounts are apportioned based on Telecommunications Plant in Service, Account 2001, if plant related, or on the nature of the item reflected in the account, if not plant related.

§ 36.222 Nonoperating income and expenses—Account 7300.

(a) Only allowance for funds used during construction, and charitable, social and community welfare contributions are considered in this account for separations purposes.

(b) Subsidiary record categories should be maintained for this account that include identification of amounts made to the account for (1) credits representing allowance for funds used during construction and (2) contributions for charitable, social or community welfare purposes, employee activities, membership dues and fees in service clubs, community welfare association and similar organizations.

(c) The portion reflecting allowance for funds used during construction is apportioned on the basis of the cost of Telecommunications Plant Under Construction—Long Term Account 2004. The portion reflecting costs for social and community welfare contributions and fees is apportioned on the basis of the apportionment of corporate operations expenses.

§ 36.223 Interest and related items—Account 7500.

(a) Only interest paid relating to capital leases is considered in this account for separations purposes. Subsidiary Record Categories should be maintained for this account that include details relating to interest expense on capital leases. Such interest expense is apportioned on a basis consistent with the associated capital leases in Account 2680.

§ 36.224 Extraordinary items—Account 7600.

(a) Amounts in this account of an operating nature are apportioned on a basis consistent with the nature of these items.

§ 36.225 Income effect of jurisdictional ratemaking differences—Account 7910.

(a) Amounts in this account are directly assigned to the appropriate jurisdiction.

Subpart D—Operating Expenses and Taxes

GENERAL

§ 36.301 Section arrangement.

(a) This subpart is arranged in sections as follows:

General	36.301 and 36.302.
Plant Specific Operations Expenses:	
General	36.310.
Network Support/General Support Expenses—Accounts 6110 and 6120.	36.311.
Central Office Expenses—Account 6210, 6220, 6230.	36.321.
Information Origination/Termination Expenses—Account 6310.	36.331.
Cable and Wire Facilities Expenses—Account 6410.	36.341.
Plant Nonspecific Operations Expenses:	
General	36.351.
Other Property Plant and Equipment Expenses—Account 6510.	36.352.
Network Operations Expenses—Account 6530.	36.353.
Access Expenses—Account 6540.	36.354.
Depreciation and Amortization Expenses—Account 6560.	36.361.
Customer Operations Expenses:	
General	36.371.
Marketing—Account 6610	36.372.
Services—Account 6620	36.373.
Telephone Operator Services	36.374.
Published Director Listing	36.375.
All Other	36.376.
Category 1—Local Bus. Office Expense.	36.377.
Category 2—Customer Services (Revenue Accounting).	36.378.
Message Processing Expense	36.379.
Other Billing and Collecting Expense.	36.380.
Carrier Access Charge Billing and Collecting Expense.	36.381.
Category 3—All other Customer Service Expense.	36.382.
Corporate Operations Expenses:	
General	36.391.
Executive and Planning Expenses—Account 6710 and General and Administrative Expenses—Account 6720.	36.392.
Operating Taxes—Account 7200.	36.411 and 36.412.
Equal Access Expenses	36.421.

[52 FR 17229, May 6, 1987, as amended at 53 FR 33012, Aug. 29, 1988]

§ 36.302 General.

(a) This section sets forth procedures for the apportionment among the operations of operating expenses and operating taxes.

(b) As covered in § 36.2 (c) and (d), the treatment of expenses relating to plant furnished to and obtained from others under rental arrangements is consistent with the treatment of such plant.

(c) In accordance with requirements in Part 32 § 32.5999 (f) expenses recorded in the expense accounts are segregated in the accounting process among the following subsidiary record categories as appropriate to each account:

Salaries and Wages
Benefits
Rents
Other Expenses
Clearances

(1) Subsidiary Record Categories (SRC) for Salaries and Wages, Benefits and Other Expenses are applicable to all of the expense accounts except for:

Access Expense contained in Account 6540
Depreciation and Amortization Expenses—Account 6560

(i) SRC for access expenses are maintained to identify interstate and state access expense and billing and collection expense for carrier's carrier.

(ii) Depreciation and Amortization Expense SRCs identify the character of the items contained in the account.

(2) SRCs for Rents and Clearance are only applicable to the Plant Specific Operating Expense accounts 6110 thru 6410.

PLANT SPECIFIC OPERATIONS EXPENSES

§ 36.310 General.

(a) Plant specific operations expenses include the following accounts:

Network Support Expenses..	Account 6110
General Support Expenses...	Account 6120
Central Office Switching Expenses.	Account 6210
Operators System Expenses.	Account 6220
Central Office Transmission Expenses.	Account 6230
Information Origination/Termination Expenses.	Account 6310
Cable and Wire Facilities Expenses.	Account 6410

(b) These accounts are used to record costs related to specific kinds of telecommunications plant and predominantly mirror the telecommunications plant in service detail accounts. Accordingly, these expense accounts will generally be apportioned in the same manner as the related plant accounts.

(c) Except where property obtained from or furnished to other companies is treated as owned property by the company making the separation, and the related operating rents are excluded from the separation studies as set forth in § 36.2 (c) and (d), amounts are apportioned among the operations on bases generally consistent with the treatment prescribed for similar plant costs and consistent with the relative magnitude of the items involved.

[52 FR 17229, May 6, 1987, as amended at 53 FR 33012, Aug. 29, 1988]

NETWORK SUPPORT/GENERAL SUPPORT EXPENSES

§ 36.311 Network support expenses—Account 6110 and general support expenses—Account 6120.

(a) Network Support Expenses are expenses associated with motor vehicles, aircraft, special purpose vehicles, garage work equipment, and other work equipment. General Support Expenses are expenses associated with land and buildings, furniture and artworks, office equipment, and general purpose computers.

(b) The expenses in these account are apportioned among the operations on the basis of the separation of account 2110, Land and Support Assets.

CENTRAL OFFICE EXPENSES

§ 36.321 Central office expenses—Accounts 6210, 6220, and 6230

(a) The expenses related to central office equipment are summarized in the following accounts:

Central Office Switching Expense.	Account 6210
Operator Systems Expense ..	Account 6220
Central Office Transmission Expense.	Account 6230

(b) The expense in these accounts are apportioned among the operations on the basis of the separation of the investments in central office equipment. Accounts 2210, 2220 and 2230, combined.

INFORMATION ORIGINATION/TERMINATION EXPENSES

§ 36.331 Information origination/termination expenses—Account 6310.

(a) The expenses in this account are classified as follows:

(1) Other Information Origination/Termination Equipment Expenses; Customer Premises Equipment Expenses

(2) For some companies, these classifications are available from accounting records; for others, they are obtained by means of analyses of plant, accounting or other records for a representative period.

(b) Other Information Origination/Termination Equipment Expenses include all expenses not associated with Customer Premises Equipment expenses. These expenses shall be apportioned between state and interstate operations in accordance with the ap-

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portionment of the related investment as per § 36.142(a).

(c) Expenses related to Customer Premises Equipment shall be assigned to the state operations.

[52 FR 17229, May 6, 1987, as amended at 53 FR 33012, Aug. 29, 1988]

CABLE AND WIRE FACILITIES EXPENSES

§ 36.341 Cable and wire facilities expenses—Account 6410.

(a) This account includes the expenses for poles, antenna supporting structures, aerial cable, underground cable, buried cable, submarine cable, deep sea cable, intrabuilding network cable, aerial wire, and conduit systems.

(b) The general method of separating cable and wire facilities expenses amoung the operations is to assign them on the basis of Account 2410—Cable and Wire Facilities.

PLANT NONSPECIFIC OPERATIONS EXPENSES

§ 36.351 General.

(a) Plant nonspecific operations expenses include the following accounts:

Other Property Plant and Equipment Expenses.	Account 6510
Network Operations Expenses.	Account 6530
Access Expenses	Account 6540
Depreciation and Amortization Expenses.	Account 6560

PLANT EXPENSES—OTHER

§ 36.352 Other property plant and equipment expenses—Account 6510.

(a) This account is used to record the expenses associated with (1) property held for future telecommunications use and (2) the provisioning of material and supplies.

(b) The expenses in this account are apportioned among the operations based on the separation of Account 2001—Telecommunications Plant in Service.

NETWORK OPERATIONS EXPENSES

§ 36.353 Network operations expenses—Account 6530

(a) This account includes the expenses associated with the provisions of power, network administration, testing, plant operations administration, and engineering.

(b) The expenses in this account are apportioned among the operations based on the separations of Account 2210, Central Office Switching, Account 2220 Operator Systems, Account 2230 Central Office Transmission, Account 2310, Information Origination/Termination and Account 2410, Cable and Wire Facilities, Combined.

§ 36.354 Access expenses—Account 6540.

(a) This account includes access charges paid to exchange carriers for exchange access service. These are directly assigned to the appropriate jurisdiction based on subsidiary record categories or on analysis and study.

DEPRECIATION AND AMORTIZATION EXPENSES

§ 36.361 Depreciation and amortization expenses—Account 6560

(a) This account includes the depreciation expenses for telecommunications plant in service and for property held for future telecommunications use. It also includes the amortization expense for tangible and intangible asserts.

(b) Expenses recorded in this account shall be separated on the basis of the separation of the associated primary Plant Accounts or related categories.

CUSTOMER OPERATIONS EXPENSES

§ 36.371 General.

(a) Customer Operations Expenses are included in the following accounts:

Marketing	Account 6610
Services	Account 6620

§ 36.372 Marketing—Account 6610.

(a) The expenses in this account are apportioned among the operations on the basis of an analysis of current billing for a representative period, excluding current billing on behalf of others and billing in connection with intercompany setttlements.

[52 FR 32923, Sept. 1, 1987]

§ 36.373 Services—Account 6620.

(a) For apportionment purposes, the expenses in this account are first segregated on the basis of an analysis of job functions into the following classifications: Telephone operator services: publishing directory listing; and all other.

(1) Expenses may be apportioned among the operations for groups of exchanges. A group of exchanges may include all exchanges in the study area.

§ 36.374 Telephone operator services.

(a) Expenses in this classification include costs incurred for operators in call completion service and number services. This includes intercept, quoting rates, directory information, time charges, and all other operator functions performed in the central office, private branch exchange, teletypewriter exchange, and at public telephone stations.

(b) Expenses in this classification are apportioned among the operations on the basis of the relative number of weighted standard work seconds as determined by analysis and study for a representative period.

§ 36.375 Published directory listing.

(a) This classification includes expenses for preparing or purchasing, compiling and disseminating directory listings.

(b) Published directory expense is assigned as follows:

(1) Classified directory expense and all expense of soliciting advertising is assigned to the exchange operation.

(2) TWX directory expense is assigned to State toll and interstate toll operations, respectively, on the basis of the relative number of TWX minutes-of-use.

(3) The expense of alphabetical and street address directories and traffic information records is apportioned among the operations on the basis of the relative number of study area subscriber line minutes-of-use applicable to each operation.

(4) The expense associated with directories and traffic information records prepared for one locality and used in another locality is known as "foreign directories expense." Such expense is assigned to the appropriate operation on the basis of the location of the point where used with respect to the locality for which the directories and records were prepared.

§ 36.376 All other.

(a) For apportionment purposes this classification must be divided into three categories:

(1) Category 1—Local Business Office Expense.

(2) Category 2—Customer Services Expense.

(3) Category 3—All Other Customer Services Expense.

§ 36.377 Category 1, Local business office expense.

(a) The expense in this category for the area under study is first segregated on the basis of an analysis of job functions into the following subcategories: End user service order processing; end user payment and collection; end user billing inquiry; interexchange carrier service order processing; interexchange carrier payment and collection; interexchange carrier billing inquiry; and coin collection and administration.

(1) End-user service order processing includes expenses related to the receipt and processing of end users' orders for service and inquiries concerning service. This subcategory does not include any service order processing expenses for services provided to the interexchange carriers. End user service order processing expenses are first segregated into the following subcategories based on the relative number of actual contacts which are weighted, if appropriate, to reflect differences in the average work time per contact: Local service order processing; presubscription; directory advertising; State private line and special access; interstate private line and special access; other State message toll includ-

ing WATS; other interstate message toll including WATS; and TWX.

(i) Local service order processing expense (primarily local telephone service orders) is assigned to the State jurisdiction.

(ii) Presubscription service order processing expense is assigned to the interstate jurisdiction.

(iii) Directory advertising service order processing expense is assigned to the State jurisdiction.

(iv) State private line and special access service order processing expense is assigned to the State jurisdiction.

(v) Interstate private line and special access service order processing expense is assigned to the interstate jurisdiction.

(vi) Other State message toll including WATS service order processing expense is assigned to the State jurisdiction.

(vii) Other Interstate message toll including WATS service order processing expense is assigned to the interstate jurisdiction.

(viii) TWX service order processing expense is allocated between the jurisdictions based on relative State and interstate billed TWX revenues.

(2) End User payment and collection includes expenses incurred in relation to the payment and collection of amounts billed to end users. It also includes commissions paid to payment agencies (which receive payment on customer accounts) and collection agencies. This category does not include any payment or collection expenses for services provided to interexchange carriers. End user payment and collection expenses are first segregated into the following subcategories based on relative total state and interstate billed revenues (excluding revenues billed to interexchange carriers and/or revenues deposited in coin boxes) for services for which end user payment and collection is provided: State private line and special access; interstate private line and special access; State message toll including WATS; interstate message toll including WATS, and interstate subscriber line charge; local, including directory advertising; and TWX.

(i) State private line and special access payment and collection expense is assigned to the State jurisdiction.

(ii) Interstate private line and special access payment and collection expense is assigned to the interstate jurisdiction.

(iii) State message toll including WATS payment and collection expense is assigned to the State jurisdiction.

(iv) Interstate message toll including WATS and interstate subscriber line charge payment and collection expense is assigned to the interstate jurisdiction.

(v) Local, including directory advertising payment and collection expense is assigned to the State jurisdiction.

(vi) TWX payment and collection expense is allocated between the jurisdictions based on relative State and interstate billed TWX revenues for service for which end user payment and collection is provided.

(3) End user billing inquiry includes expenses related to handling end users' inquiries concerning their bills. This category does not include expenses related to the inquiries of interexchange carriers concerning their bills. End user billing inquiry costs are first segregated into the following subcategories based on the relative number of actual contracts, weighted if appropriate, to reflect differences in the average work time per contact: State private line and special access; interstate private line and special access; State message toll including WATS, interstate message toll including WATS, interstate subscriber line charge; TWX; and other.

(i) State private line and special access billing inquiry expense is directly assigned to the State jurisdiction.

(ii) Interstate private line and special access billing inquiry expense is directly assigned to the interstate jurisdiction.

(iii) State message toll including WATS billing inquiry expense is directly assigned to the State jurisdiction.

(iv) Interstate message toll including WATS, and interstate subscriber line charge billing inquiry expense is directly assigned to the interstate jurisdiction.

(v) TWX billing inquiry expense is allocated between the jurisdictions based on relative State and interstate billed TWX revenues for service for which end user billing inquiry is provided.

(vi) Other billing inquiry expense (primarily related to local bills but also including directory advertising) is directly assigned to the State jurisdiction.

(4) Interexchange carrier service order processing includes expenses associated with the receipt and processing of interexchange carrier orders for service and inquiries about service. Interexchange carrier service order processing expenses are assigned to the following subcategories based on the relative number of actual contacts which are weighted, if appropriate, to reflect differences in the average work time per contact: State special access and private line; interstate special access and private line; State switched access and message toll including WATS; interstate switched access and message toll including WATS; State billing and collection; and interstate billing and collection.

(i) State special access and private line service order processing expense is directly assigned to the State jurisdiction.

(ii) Interstate special access and private line service order processing expense is directly assigned to the interstate jurisdiction.

(iii) State switched access and message toll including WATS service order processing expense is directly assigned to the State jurisdiction.

(iv) Interstate switched access and message toll including WATS service order processing expense is directly assigned to the interstate jurisdiction.

(v) State billing and collection service order processing expense is directly assigned to the state jurisdiction.

(vi) Interstate billing and collection service order processing expense is directly assigned to the interstate jurisdiction.

(5) Interexchange carrier payment and collection includes expenses associated with the payment and collection of interexchange carrier billings, including commissions paid to payment and collection agents. Interexchange carrier payment and collection expenses are assigned to the following subcategories based on relative total State and interstate revenues billed to the interexchange carriers: State special access and private line; interstate special access and private line; State switched access and message toll including WATS; interstate switched access and message toll including WATS; State billing and collection; and interstate billing and collection.

(i) State special access and private line payment and collection expense is directly assigned to the Interstate jurisdiction.

(ii) Interstate special access and private line payment and collection expense is directly assigned to the interstate jurisdiction.

(iii) State switched access and message toll including WATS payment and collection expense is directly assigned to the State jurisdiction.

(iv) Interstate switched access and message toll including WATS payment and collection expense is directly assigned to the interstate jurisdiction.

(v) State billing and collection payment and collection expense is directly assigned to the interstate jurisdiction.

(vi) Interstate billing and collection payment and collection expense is directly assigned to the State jurisdiction.

(6) Interexchange carrier billing inquiry includes expenses related to the handling of interexchange carrier billing inquiries. Interexchange carrier billing inquiry expenses are assigned to the following subcategories based on the relative number of actual contacts, weighted if appropriate, to reflect differences in the average work time per contact: State special access and private line; interstate special access and private line; State switched access and message toll including WATS; interstate switched access and message toll including WATS; State billing and collection; and interstate billing and collection.

(i) State special access and private line billing inquiry expenses is directly assigned to the State jurisdiction.

(ii) Interstate special access and private line billing inquiry expense is directly assigned to the interstate jurisdiction.

(iii) State switched access and message toll including WATS billing inquiry expense is directly assigned to the State jurisdiction.

(iv) Interstate switched access and message toll including WATS billing inquiry expense is directly assigned to the interstate jurisdiction.

(v) State billing and collection billing inquiry expense is directly assigned to the State jurisdiction.

(vi) Interstate Billing and Collection billing inquiry expense is directly assigned to the interstate jurisdiction.

(7) Coin collection and administration includes expenses for the collection and counting of money deposited in public or semi-public phones. It also includes expenses incurred for required travel, coin security, checking the serviceability of public or semi-public telephones, and related functions. These expenses are apportioned between the State and interstate jurisdictions in proportion to the relative State and interstate revenues deposited in the public and semi-public telephones.

§ 36.378 Category 2—Customer services (revenue accounting).

(a) The Revenue Accounting proportion of Account 6620 expenses comprise the salaries and other expenses in Account 6620 directly assignable or allocable to the billing of customers and the accounting for revenues, including the supervision of such work.

(b) Revenue Accounting expenses for the study area are separated on the basis of a Job Function analysis into three main classifications: Message processing expense, other billing and collecting expense, and carrier access charge billing and collecting expense.

(c) The term "ticket" denotes either a ticket prepared manually by an operator or the mechanized equivalent of such a ticket processed by the revenue accounting office.

§ 36.379 Message processing expense.

(a) This classification includes the salary and machine expense of data processing equipment, including supervision, general accounting administrative and miscellaneous expense associated with the processing of individual toll tickets and local message tickets.

(b) The expense assigned to this classification is divided into the subcategories Toll Ticket Processing Expense and Local Message Processing Expense on the basis of the relative number of messages. Toll Ticket Processing Expense is allocated between the State and interstate jurisdiction on the basis of the relative number of toll messages. Local Message Processing Expense is assigned to the exchange operation.

§ 36.380 Other billing and collecting expense.

(a) This classification includes the salary expense, including supervision, general accounting administrative, and miscellaneous expense, associated with the preparation of customer bills other than carrier access charge bills and with other revenue accounting functions not covered in § 36.379. Included in this classification are the expenses incurred in the preparation of monthly bills, initial and final bills, the application of service orders to billing records (establishing, changing, or discontinuing customers' accounts), station statistical work, controlling record work and the preparation of revenue reports.

(b) Pending the adoption of permanent procedures, the expenses assigned this classification are segregated on the basis of the relative number of users of the following services: Message toll telephone and telegram (excluding semi-public where tolls are not itemized on the bill); TWX; exchange including semi-public; directory advertising; and private line services, as determined by analysis for a representative period. In determining the number of users, an individual customer is counted once for each class of service which it uses; for example, a majority of customers are counted both as message toll telephone and telegram users and as exchange users.

(1) Expense allocated to message toll telephone and telegram users is apportioned among the operations on the basis of the relative number of non-affiliated company telegram message, state message toll telephone messages

and interstate message toll telephone messages. In this apportionment, telegram messages are treated as exchange.

(2) Expense allocated to TWX users is apportioned between state and interstate operations on the basis of the relative number of TWX connections.

(3) Expenses allocated to exchange, including semi-public users, and to directory advertising users are assigned to the exchange operation.

(4) Expense allocated to private line services users is apportioned among the operations on the basis of the relative number of interstate and intrastate private line service accounts, as determined by analysis for a representative period.

(c) If end user common line charges for intrastate toll access are assessed in a particular state, one-half of the end user common line access charge billing expense shall be apportioned to the interstate operations. If no end user common line charge is assessed for intrastate toll access, all of the end user common line access charge billing expense shall be assigned to interstate operations.

[53 FR 33011, Aug. 29, 1988]

§ 36.381 Carrier access charge billing and collecting expense.

(a) This classification includes the revenue accounting functions associated with the billing and collecting of access charges to interexchange carriers.

(b) Of access charges other than end user common line access charges are assessed for the origination or termination of intrastate services in a particular state, one-half of such expense shall be apportioned to interstate operations. If no such access charges are assessed in a particular state, all such expense shall be assigned to interstate operations.

§ 36.382 Category 3—All other customer services expense.

Category 3 is apportioned on the basis of categories 1 and 2.

CORPORATE OPERATIONS EXPENSE

§ 36.391 General.

(a) Corporate Operations Expenses are included in the following accounts:

Executive and Planning	Account 6710
General and Administrative	Account 6720

§ 36.392 Executive and planning—Account 6710, and general and administrative—Account 6720.

(a) These expenses are divided into two categories:

(1) Extended Area Services (EAS).

(2) All other.

(b) Extended Area Services (EAS) settlements are directly assigned to the exchange operation.

(c) The expenses in these accounts are apportioned among the operations on the basis of the separation of the cost of the combined Big Three Expenses which include the following accounts:

PLANT SPECIFIC EXPENSES

6210 Central Office Switching Expenses
6220 Operators Systems Expenses
6230 Central Office Transmission Expenses
6310 Information Origination/Termination Expenses
6410 Cable and Wire Facilities Expense

PLANT NON-SPECIFIC EXPENSES

6530 Network Operations Expenses

CUSTOMER OPERATIONS EXPENSES

6610 Marketing
6620 Services

OPERATING TAXES

§ 36.411 Operating taxes—Account 7200.

(a) This account includes the taxes arising from the operations of the company, i.e.,

Operating Investment Tax Credits
Operating Federal Income Taxes
Operating State and Local Income Taxes
Operating Other Taxes
Provision for Deferred Operating Income Taxes

§ 36.412 Apportionment procedures.

(a) For apportionment purposes, the expenses in this account are segregated into two groups as follows: (1) Operating Federal, State and local income taxes and (2) all other operating taxes.

(b) Operating Federal, State and local income taxes are apportioned among the operations on the basis of the approximate net taxable income (positive or negative) applicable to each of the operations. The approximate net taxable income from each of the operations is the summation of the following amounts apportioned to each operation by means of the procedures set forth in this Manual:

(1) Operating revenues,

(2) Less operating expenses,

(3) Less operating taxes except the net income tax being apportioned and except any other tax not treated as a deductible item in the determination of taxable net income for this purpose.

(4) Less operating fixed charges.

(i) The amount of fixed charges attributable to the operations is obtained by subtracting the tax component (positive or negative) attributable to other than the operating fixed charges, i.e., fixed charges on non-operating investments are that proportion of total fixed charges which non-operating net investments are of total operating and non-operating net investments.

(ii) Operating fixed charges including interest on Rural Telephone Bank Stock are apportioned among the operations on the basis of the separation of the cost of telephone plant less appropriate reserves.

(c) Other operating taxes should be directly assigned to the appropriate jurisdiction where possible, e.g., Local Gross Receipts may be directly identified as applicable to one jurisdiction. Where direct assignment is not feasible, these expenses should be apportioned among the operations on the basis of the separation of the cost of Telecommunications Plant in Service—Account 2001.

EQUAL ACCESS EXPENSES

§ 36.421 Equal access expenses.

(a) Equal access expenses include only initial incremental pre-subscription costs and other initial incremental expenditures related directly to the provision of equal access, that would not be required to upgrade the capabilities of the office involved absent the provision of equal access. Equal access expenses are limited to such expenditures for converting central offices that serve competitive interexchange carriers or where there has been a bona fide request for conversion to equal access.

(b) Equal access expenses are apportioned between the jurisdictions by first segregating them from all other expenses in the primary accounts and then allocating them on the same basis as equal access investment.

Subpart E—Reserves and Deferrals

§ 36.501 General.

(a) For separations pruposes, reserves and deferrals include the following accounts:

Other Jurisdictional Assets—Net.	Account 1500
Accumulated Depreciation...	Account 3100
Accumulated Depreciation—Property Held for Future Telecommunications Use.	Account 3200
Accumulated Amortization—Tangible.	Account 3400
Accumulated Amortization—Intangible.	Account 3500
Accumulated Amortization—Other.	Account 3600
Net Current Deferred Operating Income Taxes.	Account 4100
Net Noncurrent Deferred Operating Income Taxes.	Account 4340
Other Jurisdictional Liabilities and Deferred Credits—Net.	Account 4370

§ 36.502 Other jurisdictional assets—Net—Account 1500.

(a) Amounts in this account are separated based upon analysis of the specific items involved.

§ 36.503 Accumulated depreciation—Account 3100.

(a) Amounts recorded in this account shall be separated on the basis of the separation of the associated primary Plant Accounts or related categories, excluding amortizable assets.

§ 36.504 Accumulated depreciation—Property held for future telecommunications use—Account 3200.

(a) Amounts in this account are apportioned among the operations on the basis of the separation of the costs of the related items carried in Account 2002—Property Held for Future Telecommunications Use.

§ 36.505 Accumulated amortization—Tangible—Account 3400. Accumulated amortization—Intangible—Account 3500, and accumulated amortization—Other—Account 3600.

(a) Amounts in these accounts are apportioned among the operations on the basis of the separation of the related accounts.

§ 36.506 Net current deferred operating income taxes—Account 4100 Net noncurrent deferred operating income taxes—Account 4340.

(a) Amounts in these accounts are maintained by plant account and are apportioned among the operations on the basis of the separations of the related plant accounts.

§ 36.507 Other jurisdictional liabilities and deferred credits—Net—Account 4370.

(a) Amounts in this account are separated based upon an analysis of the specific items involved.

Subpart F—Universal Service Factor

GENERAL

§ 36.601 General.

(a) For purposes of § 3601(a) of the Rules of the Federal Communications Commission, the Universal Service Factor portion of the interstate apportionment shall consist of an expense adjustment computed in accordance with this section. The expense adjustment will be added to interstate expenses and deducted from state expenses after expenses and taxes have been apportioned pursuant to Subpart D.

(b) The expense adjustment will be computed on the basis of data for a preceding calendar year which may be updated at the option of the carrier pursuant to § 36.612(a).

DATA COLLECTION

§ 36.611 Submission of information to the National Exchange Carrier Association (NECA).

(a) In order to allow determination of the study areas which are entitled to an expense adjustment, each local telephone company must provide the National Exchange Carrier Association (NECA) (established pursuant to Part 69 of the Commission's Rules) with the information listed below for each of its study areas. This information is to be filed with the Association on June 30th of each year. The information filed on June 30th of each year will be used in the jurisdictional allocations underlying the cost support data for the access charge tariffs to be filed the following October.

(1) Unseparated, i.e., state and interstate, gross plant investment in Exchange Line Cable and Wire Facilities (C&WF) Subcategory 1.3 and Exchange Line Central Office (CO) Circuit Equipment Category 4.13. This amount shall be calculated as of December 31st of the year preceding each June filing

(2) Unseparated accumulated depreciation and noncurrent deferred federal income taxes, attributable to Exchange Line C&WF Subcategory 1.3 investment, and Exchange Line CO Circuit Equipment Category 4.13 investment. These amounts shall be calculated as of December 31st of the year preceding each June filing, and shall be stated separately.

(3) Unseparated depreciation expense attributable to Exchange Line C&WF Subcategory 1.3 investment, and Exchange Line CO Circuit Equipment Category 4.13 investment. This amount shall be the actual depreciation expense for the calendar year preceding each June filing.

(4) Unseparated maintenance expense attributable to Exchange Line C&WF Subcategory 1.3 investment and Exchange Line CO Circuit Equipment Category 4.13 investment. This amount shall be the actual repair expense for the calendar year preceding each June filing.

(5) Unseparated corporate operations expenses, operating taxes, and

the benefits and rent portions of operating expenses. The amount for each of these categories of expense shall be the actual amount for that expense for the calendar year preceding each June filing. The amount for each category of expense listed shall be stated separately

(6) Unseparated gross telecommunications plant investment. This amount shall be calculated as of December 31st of the year preceding each June filing

(7) Unseparated accumulated depreciation and noncurrent deferred federal income taxes attributable to total unseparated telecommunications plant investment. This amount shall be calculated as of December 31st of the year preceding each June filing

(8) The number of working Exchange Line C&WF excluding wideband and used jointly for exchange and message telcommunications service, excluding WATS closed end access and TWX service, but including subscriber lines of C&WF associated with pay telephones in Category 1. This figure shall be calculated as of December 31st of the year preceding each June filing.

§ 36.612 Updating information submitted to the National Exchange Carrier Association.

(a) Any telecommunications company may update the information submitted to the National Exchange Carrier Association pursuant to § 36.611(a)(1) through (a)(8) one or more times annually on a rolling year basis. Carriers wishing to update the preceding calendar year data filed June 30th may:

(1) Submit date covering the last nine months of the previous calendar year and the first three months of the existing calendar year no later than September 30th of that year;

(2) Submit data on the last six months of the previous calendar year and the first six months of the existing year no later than December 30th of the existing year; and/or

(3) Submit data on the last three months of the second preceding calendar year and the first nine months of the preceding calendar year no later than March 30th of the existing year.

§ 36.613 Submission of Information by the National Exchange Carrier Association.

(a) On September 1 of each year after 1987, the National Exchange Carrier Association shall file with the Commission the information listed below. Information filed with the Commission shall be compiled from information provided to the Association by telephone companies pursuant to § 36.611.

(1) The unseparated loop cost for each study area and a nationwide-average unseparated loop cost.

(2) The annual amount of the high cost expense adjustment for each study area, and the total nationwide amount of the expense adjustment.

(3) The dollar amount and percentage of the increase in the nationwide average unseparated loop cost, as well as the dollar amount and percentage increase for each study area, for the previous 5 years, or the number of years NECA has been receiving information under § 36.611, whichever is the shorter time period.

CALCULATION OF LOOP COSTS FOR EXPENSE ADJUSTMENT

§ 36.621 National and study area average unseparated loop costs per working loop.

(a) *Study Area Unseparated Loop Cost.* For the purposes of calculation of the expense adjustment, the study area unseparated loop cost is equal to the sum of the following:

(1) Return component for net unseparated Exchange Line C&WF subcategory 1.3 investment and Exchange Line CO Circuit Equipment Category 4.13 investment. This amount is calculated by deducting the accumulated depreciation and noncurrent deferred Federal income taxes attributable to C&WF subcategory 1.3 investment and exchange line Category 4.13 circuit investment reported pursuant to § 36.611(a)(2) from the gross investment in Exchange Line C&WF subcategory 1.3 and CO Category 4.13 reported pursuant to § 36.611(a)(1) to obtain the net unseparated C&WF subcategory 1.3 investment, and CO Category 4.13 investment. The net un-

separated C&WF subcategory 1.3 investment and CO Category 4.13 investment is multiplied by the study area's authorized interstate rate of return.

(2) Depreciation expense attributable to C&WF subcategory 1.3 investment, and CO Category 4.13 investment as reported in § 36.611(a)(3).

(3) Maintenance expense attributable to C&WF subcategory 1.3 investment, and CO Category 4.13 investment as reported in § 36.611(a)(4).

(4) Corporate Operations and other expenses and taxes as stated in § 36.611(a)(5) attributable to Exchange C&WF subcategory 1.3 investment, and CO Category 4.13 investment. This amount equals the net unseparated Exchange C&WF subcategory 1.3 investment, and CO Category 4.13 investment as calculated in § 36.621(a)(1) multiplied by the unseparated corporate operations and other expenses and taxes as reported in § 36.611(a)(5) divided by the unseparated net investment for total telecommunications plant for the study area. The unseparated net investments for total telecommunications plant for the study area equals the unseparated gross telecommunications plant investment as reported in § 36.611(a)(6) minus the unseparated accumulated depreciation and noncurrent deferred Federal income taxes attributable to total telecommunications plant as reported in § 36.611(a)(7).

§ 36.622 National and study area average loop cost per loop.

(a) National Average Unseparated Loop Cost per Working Loop. This is equal to the sum of the Loop Costs for each study area in the country as calculated pursuant to § 36.621(a) divided by the sum of the working loops reported in § 36.611(a)(8) for each study area in the country. The national average unseparated loop cost per working loop shall be calculated by the National Exchange Carrier Association.

(1) The National Average Unseparated Loop Cost per Working Loop shall be recalculated by the National Exchange Carrier Association to reflect the optional September, December and March update filings.

(2) Each new nationwide average shall be used in determining the additional interstate expense allocation for companies which made filings by the most recent filing date.

(3) The calculation of a new national average to reflect the update filings shall not affect the amount of the additional interstate expense allocation for companies which did not make an update filing by the most recent filing date.

(b) Study Area Average Unseparated Loop Cost per Working Loop. This is equal to the unseparated loop costs for the study area as calculated pursuant to § 36.621(a) divided by the number of working loops reported in § 36.611(a)(8) for the study area.

(1) If a company elects to update the data which it has filed with the National Exchange Carrier Association as provided in § 36.612(a), the study area average unseparated loop cost per working loop and the amount of its additional interstate expense allocation shall be recalculated to reflect the updated data.

CALCULATION OF EXPENSE ADJUSTMENT—ADDITIONAL INTERSTATE EXPENSE ALLOCATION

§ 36.631 Expense adjustment.

(a) Until December 31, 1987, for study areas reporting 50,000 or fewer working loops pursuant to § 36.611(a)(8), the expense adjustment (additional interstate expense allocation) is equal to the sum of the following:

(1) Fifty percent of the study area average unseparated loop cost per working loop as calculated pursuant to § 36.622(b) in excess of 115 percent of the national average for this cost but not greater than 150 percent of the national average for this cost as calculated pursuant to § 36.622(a) multiplied by the number of working loops reported in § 36.611(a)(8) for the study area.

(2) Seventy-five percent of the study area unseparated loop cost per working loop as calculated pursuant to § 36.622(b) in excess of 150 percent of the national average for this cost as calculated pursuant to § 36.622(a) multiplied by the number of working loops reported in § 36.611(a)(8) for the study area.

(b) Until December 31, 1987, for study areas reporting more than 50,000 working loops pursuant to § 36.611(a)(8), the expense adjustment (additional interstate expense allocation) is equal to the sum of the following:

(1) Twenty-five percent of the study area average unseparated loop cost per working loop as calculated pursuant to § 36.622(b) in excess of 115 percent of the national average for this cost but not greater than 150 percent of the national average for this cost as calculated pursuant to § 36.622(a) multiplied by the number of working loops reported in § 36.611(a)(8) for the study area.

(2) The amount calculated pursuant to § 36.631(a)(2).

(c) Beginning January 1, 1988, for study areas reporting 200,000 or fewer working loops pursuant to § 36.611(a)(8), the expense adjustment (additional interstate expense allocation) is equal to the sum of the following:

(1) Sixty-five percent of the study area average unseparated loop cost per working loop as calculated pursuant to § 36.622(b) in excess of 115 percent of the national average for this cost but not greater than 150 percent of the national average for this cost as calculated pursuant to § 36.622(a) multiplied by the number of working loops reported in § 36.611(a)(8) for the study area.

(2) Seventy-five percent of the study area average unseparated loop cost per working loop as calculated pursuant to § 36.622(b) in excess of 150 percent of the national average for this cost as calculated pursuant to § 36.622(a) multiplied by the number of working loops reported in § 36.611(a)(8) for the study area.

(d) Beginning January 1, 1988, for study areas reporting more than 200,000 working loops pursuant to § 36.611(a)(8), the expense adjustment (additional interstate expense allocation) is equal to the sum of the following:

(1) Ten percent of the study area average unseparated loop cost per working loop as calculated pursuant to § 36.622(b) in excess of 115 percent of the national average for this cost but not greater than 160 percent of the national average for this cost as calculated pursuant to § 36.622(a) multiplied by the number of working loops reported in § 36.611(a)(8) for the study area.

(2) Thirty percent of the study area average unseparated loop cost per working loop as calculated pursuant to § 36.622(b) in excess of 160 percent of the national average for this cost but not greater than 200 percent of the national average for this cost as calculated pursuant to § 36.622(a) multiplied by the number of working loops reported in § 36.611(a)(8) for the study area.

(3) Sixty percent of the study area average unseparated loop cost per working loop as calculated pursuant to § 36.622(b) in excess of 200 percent of the national average for this cost but not greater than 250 percent of the national average for this cost as calculated pursuant to § 36.622(a) multiplied by the number of working loops reported in § 36.611(a)(8) for the study area.

(4) Seventy-five percent of the study area average unseparated loop cost per working loop as calculated pursuant to § 36.622(b) in excess of 250 percent of the national average for this cost as calculated pursuant to § 36.622(a) multiplied by the number of working loops reported in § 36.611(a)(8) for the study area.

(e) Beginning April 1, 1989, the expense adjustment calculated pursuant to § 36.631 (c) and (d) shall be adjusted each year to reflect changes in the size of the Universal Service Fund resulting from adjustments calculated pursuant to § 36.612(a) made during the previous year. If the resulting amount exceeds the previous year's fund size, the difference will be added to the amount calculated pursuant to § 36.631 (c) and (d) for the following year. If the adjustments made during the previous year result in a decrease in the size of the funding requirement, the difference will be subtracted from the amount calculated pursuant to § 36.631 (c) and (d) for the following year.

[52 FR 17229, May 6, 1987, as amended at 53 FR 33011 and 33012, Aug. 29, 1988]

TRANSITIONAL EXPENSE ADJUSTMENT

§ 36.641 Transition.

(a) The expense adjustment for 1993 and subsequent years shall be the amount computed in accordance with § 36.631.

(b) The expense adjustments for 1988 through 1992 shall be as follows:

(1) Three-eighths of the amount computed in accordance with § 36.631 in 1988;

(2) One-half of the amount computed in accordance with § 36.631 in 1989;

(3) Five-eighths of the amount computed in accordance with § 36.631 in 1990;

(4) Three-quarters of the amount computed in accordance with § 36.631 in 1991; and

(5) Seven-eighths of the amount computed in accordance with § 36.631 in 1992.

Subpart G—Lifeline Connection Assistance Expense Allocation

§ 36.701 General.

(a) The Lifeline Connection Assistance Expense portion of the interstate apportionment shall consist of an expense adjustment computed in accordance with this subpart. The expense adjustment will be added to interstate expenses and deducted from state expenses for eligible study areas as defined in this subpart after all other steps required by this part have been completed.

(b) The expense adjustment will be computed as provided in § 36.741.

DEFINITIONS

§ 36.711 Lifeline connection assistance.

(a) For purposes of this subpart, Lifeline Connection Assistance shall describe the following lifeline telephone assistance for eligible residential subscribers as defined in § 36.711 (b) and (c):

(1) A reduction in the charges for commencing telephone service assessed for a single telephone line per household at the principal place of residence; and/or

(2) A deferred schedule for payment of the charges assessed for commencing service, for which the telephone company does not charge interest.

(b) In order to be eligible for assistance when income is verified, a residential subscriber must:

(1) Meet the requirements of a state established income test; and

(2) Not be a dependent for federal income tax purposes as defined in 26 U.S.C. Section 152 (1986) unless the subscriber is more than 60 years of age.

(c) In order to be eligible for assistance when income is not verified, a residential subscriber must meet the eligibility criteria in § 36.711(b)(1) and (b)(2) and:

(1) Have lived at an address where there has been no telephone service for at least three months immediately prior to the date that the assistance described in § 36.711(a)(1) and/or (a)(2) is requested from the telephone company; and

(2) Not have received assistance pursuant to § 36.711(a)(1) and/or (a)(2) within the last two years, with receipt of such assistance to be measured from the date of initiation of the telephone service for which assistance was provided.

(d) Charges assessed for commencing service include any state tariffed charges levied for connecting a subscriber to the network. These charges do not include security deposit requirements.

[52 FR 17229, May 6, 1987, as amended at 54 FR 16111, Apr. 21, 1989]

TELEPHONE COMPANY ELIGIBILITY

§ 36.721 Telephone company eligibility for lifeline connection assistance expense allocation.

(a) In order to be entitled to the additional interstate expense adjustment described in this subpart a telephone company:

(1) Must provide Lifeline Connection Assistance as defined in § 36.711(a)(1) and/or (a)(2) to eligible subscribers as defined in § 36.711(b) or (c);

(2) Shall verify that subscribers meet the eligibility criteria set out in § 36.711(b) or (c) provided that:

(i) Verification of subscriber eligibility by designated State officials may be substituted for verification by the telephone company;

(ii) If the eligibility criterion in § 36.711(b)(1) is verified, then the criteria in § 36.711(c) shall not apply;

(iii) If the eligibility criterion in § 36.711(b)(1) is self-certified, then the eligibility criteria in § 36.711(c)(1) and (c)(2) shall apply and must be verified;

(iv) In all cases, the eligibility criterion in § 36.711(b)(2) may be self-certified.

(3) Shall file information with the Commission Secretary demonstrating that it is eligible for the additional interstate expense adjustment.

(4) Shall file information with the Commission Secretary demonstrating that it is eligible for the additional interstate expense adjustment.

(b) The additional interstate expense adjustment shall be effective as soon as the Commission certifies that the State or local telephone company is eligible for the additional interstate expense adjustment, the local exchange company files the data required by § 36.731 with the National Exchange Carrier Association, and the relevant tariff provisions become effective.

[52 FR 17229, May 6, 1987, as amended at 54 FR 16111, Apr. 21, 1989]

DATA COLLECTION

§ 36.731 Submission of information to the National Exchange Carrier Association.

(a) In order to allow calculation of the lifeline expense adjustment each local telephone company wishing to receive the additional interstate expense allocation provided for in this subpart shall provide the National Exchange Carrier Association established pursuant to Part 69 of the Commission's rules with the information listed below for each of its study areas. The information for the succeeding calendar year is to be filed with the Association on June 30th of each year after certification of the plan by the Commission pursuant to § 36.721(b). The information filed on June 30th of each year will be used in the jurisidictional allocations underlying the cost support data for the access tariffs to be filed the following October.

(1) An estimate of the number of eligible households which will receive the lifeline assistance described in § 36.711(a)(1) pursuant to a lifeline assistance program which has received Commission certification.

(2) An estimate of the average discount on service commencement charges to be provided to each subscriber, not to exceed 50 percent of the charges for commencement of the same service applicable to non-lifeline customers or $30.00, whichever is less;

(3) An estimate of the number of eligible subscribers which will receive the lifeline assistance described in § 36.711(a)(2).

(4) An estimate of the average deferred interest cost for each subscriber, *Provided* That:

(i) The deferred amount on which the cost of interest shall be calculated is not to exceed $200.00; and

(ii) Interest shall be applied only to amounts actually outstanding, at the rate for 10-year Treasury Bills on January 1 of each year, with the interest rate adjusted only with each filing.

(b) In the event that this additional interstate expense allocation is to be in effect for a given study area for less than a full calendar year, the carrier is to submit the information described in § 36.731(a) (1) through (4) adjusted to reflect the number of subscribers and the relevant costs for the portion of the year during which this expense adjustment will be in effect as part of its § 36.721(a)(4) submission to the Commission. These data shall be filed with NECA at the same time they are filed with the Commission.

CALCULATION OF LIFELINE CONNECTION ASSISTANCE EXPENSE ADJUSTMENT

§ 36.741 Expense adjustment.

(a) The additional interstate expense allocation shall be calculated by adding the following:

(1) The number of households provided pursuant to § 36.731(a)(1) times the dollar amount provided pursuant to § 36.731(a)(2); and

(2) The number of households provided pursuant to § 36.731(a)(3) times the dollar amount provided pursuant to § 36.731(a)(4).

(b) The expense adjustment calculated pursuant to § 36.741(a) shall be adjusted each year to reflect the actual number of lifeline recipients and the actual dollar amount of the benefits provided to them in the previous year. If the actual benefits provided in a given calendar year exceed the estimated benefits for that year calculated pursuant to § 36.741(a), this difference shall be added to the amount calculated pursuant to § 36.741(a) for the following year. If the actual benefits provided in a given year are less than the estimated amount for that year calculated pursuant to § 36.741(a), this difference shall be subtracted from the amount calculated pursuant to § 36.741(a) for the following year.

(c) The expense adjustment calculated pursuant to § 36.741 (a) and (b) shall be subtracted from total intrastate expenses and added to total interstate expenses.

[52 FR 17229, May 6, 1987, as amended at 53 FR 33012, Aug. 29, 1988]

APPENDIX—GLOSSARY

The descriptions of terms in this glossary are broad and have been prepared to assist in understanding the use of such terms in the separation procedures. Terms which are defined in the text of this part are not included in this glossary.

Access Line

A communications facility extending from a customer's premises to a serving central office comprising a subscriber line and, if necessary, a trunk facility, e.g., a WATS access line, TWX access line.

Book Cost

The cost of property as recorded on the books of a company.

Cable Fill Factor

The ratio of cable conductor or cable pair miles in use to total cable conductor or cable pair miles available in the plant, e.g., the ratio of revenue producing cable pair miles in use to total cable pair miles in plant.

Category

A grouping of items of property or expense to facilitate the apportionment of their costs among the operations and to which, ordinarily, a common measure of use is applicable.

Central Office

A switching unit, in a telephone system which provides service to the general public, having the necessary equipment and operations arrangements for terminating and interconnecting subscriber lines and trunks or trunks only. There may be more than one central office in a building.

Channel

An electrical path suitable for the transmission of communications between two or more points, ordinarily between two or more stations or between channel terminations in Telecommunication Company central offices. A channel may be furnished by wire, fiberoptics, radio or a combination thereof.

Circuit

A fully operative communications path established in the normal circuit layout and currently used for message, WATS access, TWX, or private line services.

Circuit Mileage or Miles

The route miles of revenue producing circuits in service, determined by measuring the length, in terms of miles, of the actual path followed by the transmission medium.

Common Channel Network Signaling

Channels between switching offices used to transmit signaling information independent of the subscribers' communication paths or transmission channels.

Complement (of cable)

A group of conductors of the same general type (e.g., quadded, paired) within a single cable sheath.

Complex

All groups of operator positions, wherever located, associated with the same call distribution and/or stored program control unit.

Concentrating Unit (TWX)

An arrangement of central office equipment wherein traffic over a number of TWX circuits is automatically concentrated onto a lesser number of circuits between the concentrating unit and its associated TWX switching office.

Concentration Equipment

Central office equipment whose function is to concentrate traffic from subscriber lines onto a lesser number of circuits between the remotely located concentration equipment and the serving central office concentration equipment. This concentration equipment is connected to the serving central office line equipment.

Connection—Minute

The product of (a) the number of messages and, (b) the average minutes of connection per message.

Conversation—Minute

The product of (a) the number of messages and, (b) the average minutes of conversation per message.

Conversation-Minute-Miles

The product of (a) the number of messages, (b) the average minutes of conversation per message and (c) the average route miles of circuits involved.

Cost

The cost of property owned by the Telephone Company whose property is to be apportioned among the operations. This term applies either to property costs recorded on the books of the company or property costs determined by other evaluation methods.

Current Billing

The combined amount of charges billed, excluding arrears.

Customer Dialed Charge Traffic

Traffic which is both (a) handled to completion through pulses generated by the customer and (b) for which either a message unit change, bulk charge or message toll charge is except for that traffic recorded by means of message registers.

Customer Premises Equipment

Items of telecommunications terminal equipment in Accounts 2310 referred to as CPE in § 64.702 of the Federal Communication Commission's Rules adopted in the *Second Computer Inquiry* such as telephone instruments, data sets, dialers and other supplemental equipment, and PBX's which are provided by common carriers and located on customer premises and inventory included in these accounts to be used for such purposes. Excluded from this classification are similar items of equipment located on telephone company premises and used by the company in the normal course of business as well as over voltage protection equipment, customer premises wiring, coin operated public or pay telephones, multiplexing equipment to deliver multiple channels to the customer, mobile radio equipment and transmit earth stations.

Customer Premises Wire

The segment of wiring from the customer's side of the protector to the customer premises equipment.

DSA Board

A local dial office switchboard at which are handled assistance calls, intercepted calls and calls from miscellaneous lines and trunks. It may also be employed for handling certain toll calls.

DSB Board

A switchboard of a dial system for completing incoming calls received from manual offices.

Data Processing Equipment

Office equipment such as that using punched cards, punched tape, magnetic or other comparable storage media as an operating vehicle for recording and processing information. Includes mechines for transcribing raw data into punched cards, etc., but does not include such items as key-operated, manually or electrically driven adding, calculating, bookkeeping or billing machines, typewriters or similar equipment.

Dial Switching Equipment

Switching equipment actuated by electrical impulses generated by a dail or key pulsing arrangement.

Equal Access Costs

Include only initial incremental presubscription costs and initial incremental expenditures for hardware and software related directly to the provision of equal access which would not be required to upgrade the switching capabilities of the office involved absent the provisions of equal access.

Equivalent Gauge

A standard cross section of cable conductors for use in equating the metallic content of cable conductors of all gauge to a common base.

Equivalent Miles of 104 Wire

The basic units employed in the allocation of pole lines costs for determining the relative use made of poles by aerial cables and by aerial wire conductors of various sizes. This unit reflects the relative loads of such cable and wire carried on poles.

Equivalent Pair Miles

The product of sheath miles and the number of equivalent gauge pairs of conductors in a cable.

Equivalent Sheath Miles

The product of (a) the length of a section of cable in miles (sheath miles) and (b) the ratio of the metallic content applicable to a particular group of conductors in the cable (e.g., conductors assigned to a category) to the metallic content of all conductors in the cable.

Exchange Transmission Plant

This is a combination of (a) exchange cable and wire facilties (b) exchange central office circuit equipment, including associated land and buildings and (c) information origination/termination equipment which forms a complete channel.

Holding Time

The time in which an item of telephone plant is in actual use either by a customer or an operator. For example, on a completed telephone call, holding time includes conversation time as well as other time in use. At local dial offices any measured minutes which result from other than customer attempts to place calls (as evidenced by the dialing of at least one digit) are not treated as holding time.

Host Central Office

An electronic analog or digital base switching unit containing the central call processing functions which service the host office and its remote locations.

Information Origination/ Termination Equipment

Equipment used to input into or receive output from the telecommunications network.

Interexchange Channel

A circuit which is included in the interexchange transmission equipment.

Interexchange Transmission Equipment

The combination of (a) interexchange cable and wire facilities, (b) interexchange circuit equipment and, (c) associated land and buildings.

Interlocal Trunk

A circuit between two local central office units, either manual or dial. Interlocal trunks may be used for either exchange or toll traffic or both.

Intertoll Circuits

Circuits between toll centers and circuits between a toll center and a tandem system in a different toll center area.

Local Channel

The portion of a private line circuit which is included in the exchange transmission plant. However, common usage of this term usually excludes information origination/termination equipment.

Local Office

A central office serving primarily as a place of termination for subscriber lines and for providing telephone service to the subscribers on these lines.

Long Haul Toll Traffic

A general term applied to message toll traffic between distant points. In common usage, this term is ordinarily applied to message toll traffic points more than 20 to 50 miles apart.

Loop

A pair of wires, or its equivalent, between a customer's station and the central office from which the station is served.

Message

A completed call, i.e., a communication in which a conversation or exchange of information took place between the calling and called parties.

Message Service or Message Toll Service

Switched service furnished to the general public (as distinguished from private line service). Except as otherwise provided, this includes exchange switched services and all switched services provided by interexchange carriers and completed by a local telephone company's access services, e.g., MTS, WATS, Execunet, open-end FX and CCSA/ONALs.

Message Units

Unit of measurement used for charging for measured message telephone exchange traffic within a specified area.

Metropolitan Service Area

The area around and including a relatively large city and in which substantially all of the message telephone traffic between the city and the suburban points within the area is classified as exchange in one or both directions.

Minutes-of-Use

A unit of measurement expressed as either holding time or conversation time.

Minutes-of-Use Miles

The product of (a) the number of minutes-of-use and (b) the average route miles of circuits involved.

Multi-Center Exchange

An exchange area in which are located two or more local central office buildings or wire centers.

Operations

The term denoting the general classifications of services rendered to the public for which separate tariffs are filed, namely exchange, state toll and interstate toll.

Operator Trunks

A general term, ordinarily applied to trunks between manually operated switchboard positions and local dial central offices in the same wire center.

Private Line Service

A service for communications between specified locations for a continuous period or for regularly recurring periods at stated hours.

Remote Access Line

An access line (e.g., for WATS or TWX service) between a subscriber's premises in one toll rate center and a serving central office located in a different toll rate center.

Remote Line Location

A remotely located subscriber line access unit which is normally dependent upon the central processor of the host office for call processing functions.

Remote Trunk Arrangement (RTA)

Arrangement that permits the extension of TSPS functions to remote locations.

Reservation

That amount or quantity of property kept or set apart for a specific use.

Reserved

Kept or set apart for a specific use.

Separations

The process by which telecommunication property costs, revenues, expenses, taxes and reserves are apportioned among the operations.

Service Observing Unit

A unit of work measurement which is used as the common denominator to express the relative time required for handling the various work functions at service observing boards.

Sheath Miles

The actual length of cable in route miles.

Short Haul Toll Traffic

A general term applied to message toll traffic between nearby points. In common usage, this term is ordinarily applied to message toll traffic between points less than 20 to 50 miles apart.

Special Services

All services other than message telephones, e.g., teletypewriter exchange service (TWX), private line services.

Station-to-Station Basis

The term applied to the basis of toll rate making which contemplates that the message toll service charge (telephone or TWX) covers the use made of all facilities between the originating station and the terminating station, including the stations, and the services rendered in connection therewith.

Study Area

Study area boundaries shall be frozen as they are on November 15, 1984

Subscriber Line or Exchange Line

A communication channel between a telephone station, PBX or TWX station and the central office which serves it.

Subtributary Office

A class of tributary office which does not have direct access to its toll center, but which is connected to its toll center office by means of circuits which are switched through to the toll center at another tributary office.

Tandem Area

The general areas served by the local offices having direct trunks to or from the tandem office. This area may consist of one or more communities or may include only a portion of a relatively large city.

Tandem Circuit or Trunk

A general classification of circuits or trunks between a tandem central office unit and any other central office or switchboard.

Tandem Connection

A call switched at a tandem office.

Tandem Office

A central office unit used primarily as an intermediate switching point for traffic between local central offices within the tandem area. Where qualified by a modifying expression, or other explanation, this term may be applied to an office employed for both the interconnection of local central offices within the tandem area and for the interconnection of these local offices with other central offices, e.g., long haul tandem office.

Toll Center

An office (or group of offices) within a city which generally handles the originating and incoming toll traffic for that city to or from other toll center areas and which handles through switched traffic. The toll center normally handles the inward toll traffic for its tributary exchanges and, in general, either handles the outward traffic originating at its tributaries or serves as the outlet to interexchange circuits for outward traffic ticketed and timed at its tributaries. Toll centers are listed as such in the Toll Rate and Route Guide.

Toll Center Area

The areas served by a toll center, including the toll center city and the communities served by tributaries of the toll center.

Toll Center Toll Office

A toll office (as contrasted to a local office) in a toll center city.

Toll Circuit

A general term applied to interexchange trunks used primarily for toll traffic.

Toll Connecting Trunk

A general classification of trunks carrying toll traffic and ordinarily extending between a local office and a toll office, except trunks classified as tributary circuits. Examples of toll connecting trunks include toll switching trunks, recording trunks and recording-completing trunks.

Toll Office

A central office used primarily for supervising and switching toll traffic.

Traffic Over First Routes

A term applied to the routing of traffic and denoting routing via principal route for traffic between any two points as distinguished from alternate routes for such traffic.

Operator System

A stored program electronic system associated with one or more toll switching systems which provides centralized traffic service position functions for several local offices at one location.

Tributary Circuit

A circuit between a tributary office and a toll switchboard or intertoll dialing equipment in a toll center city.

Tributary Office

A local office which is located outside the exchange in which a toll center is located, which has a different rate center from its toll center and which usually tickets and times only a part of its originating toll traffic, but which may ticket or time all or none, of such traffic. The toll center handles all outward traffic not ticketed and timed at the tributary and normally switches all inward toll traffic from outside the tributary's toll center to the tributary. Tributary offices are indicated as such in the Toll Rate and Route Guide.

Trunks

Circuit between switchboards or other switching equipment, as distinguished from circuits which extend between central office switching equipment and information origination/termination equipment.

TSPS Complex

All groups of operator positions, wherever located, associated with the same TSPS stored program control units.

TWX

Teletypewriter Exchange Service.

TWX Connection

A completed TWX call, i.e., a call on which a TWX communication was passed between the calling and called stations.

TWX Connection-Minute-Miles

The product of (a) the number of TWX connections, (b) the average minutes per TWX connection and (c) the average route miles of circuits involved.

TWX Switching Plant Trunks

Interexchange circuits, excluding remote access lines, which handle 100 word per minute TWX traffic only.

Weighted Standard Work Second

A measurement of traffic operating work which is used to express the relative time required to handle the various kinds of calls or work functions, and which is weighted to reflect appropriate degrees of waiting to serve time.

Wide Area Telephone Service WATS

A toll service offering for customer dial type telecommunications between a given customer station and stations within specified geographic rate areas employing a single access line between the customer location and the serving central office. Each access line may be arranged for either outward (OUT-WATS) or inward (IN-WATS) service or both.

Wideband Channel

A communication channel of a bandwidth equivalent to twelve or more voice grade channels.

Working Loop

A revenue producing pair of wires, or its equivalent, between a customer's station and the central office from which the station is served.

[52 FR 17229, May 6, 1987, as amended at 53 FR 33012, Aug. 29, 1988; 53 FR 39095, Oct. 5, 1989]

FINDING AIDS

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Table of OMB Control Numbers

The OMB control numbers for Chapter I of Title 47 were consolidated into § 0.408 at 49 FR 18306, Apr. 30, 1984. Section 0.408 is reprinted below for the convenience of the user.

§ 0.408 OMB control numbers assigned pursuant to the Paperwork Reduction Act.

(a) *Purpose.* This section collects and displays the control numbers assigned to information collection requirements of the Commission by the Office of Management and Budget pursuant to the Paperwork Reduction Act of 1980, Pub. L. 96-511. The Commission intends that this section comply with the requirements of section 3507(f) of the Paperwork Reduction Act, which requires that agencies display a current control number assigned by the Director of the Office of Management and Budget ("OMB") for each agency information collection requirement. OMB control numbers assigned to Commission forms are not listed in this section since those numbers appear on the forms.

(b) *Display.*

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1.65(c)	3060-0449
1.1206	3060-0430
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22.609(e)	3060-0431
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(Sec. 4(i), Communications Act of 1934, as amended; 47 CFR 0.231(d))

[49 FR 18306, Apr. 30, 1984, as amended at 50 FR 9632, Mar. 11, 1985; 51 FR 12157, Apr. 9, 1986; 51 FR 34619, Sept. 30, 1986; 52 FR 35918, Sept. 24, 1987; 53 FR 5184, Feb. 22, 1988; 53 FR 6916, Mar. 3, 1988, 54 FR 3038, Jan. 23, 1989; 54 FR 35650, Aug. 29, 1989; 55 FR 39277, Sept. 26, 1990]

Redesignation Table

At 38 FR 22478, August 21, 1973, Part 23 was amended extensively. The following redesignation table shows the old and new section numbers.

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List of CFR Sections Affected

All changes in this volume of the Code of Federal Regulations which were made by documents published in the FEDERAL REGISTER since January 1, 1973, are enumerated in the following list. Entries indicate the nature of the changes effected. Page numbers refer to FEDERAL REGISTER pages. The user should consult the entries for chapters and parts as well as sections for revisions.

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